THE FINANCIAL POST

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BETTER OUTLOOK NOW REPORTED IN WESTERN CANADA

Farmers Going Into the Seeding Season With Confidence

MANY CATTLE LOST

And Conditions Will Continue Hard All Through April—Hundreds of Carcasses Seen Along Railways

With the approach of spring new hope is springing up in Western Canada, according to F. W. Crandall, an experienced large-scale farmer of Calgary, who has served the Canadian Pacific and other companies in agricultural operations on the prairies for years, who writes THE FINANCIAL POST that he is now able to predict a larger area being seeded than seemed possible some months ago. Mr. Crandall has just returned to the West after a visit to Eastern Canada and the United States and the improvement in conditions which has taken place during his absence, is no doubt a reflection of returning confidence which better market for agricultural products has engendered. He says that the Canadian Pacific and the government are coming to the rescue of many farmers in the drought areas, and that the banks are taking care of their customers to the encouragement of the production of another crop. Altogether the situation is much better than he could have hoped for, and with one good crop he predicts that confidence will be fully restored.

Mr. Crandall states that somehow everyone seems to think that there will be a good crop this year and that with fair prices the agricultural class will come back to prosperity quickly. Moisture conditions are favorable and the wheat should germinate quickly after seeding. Fall rye is showing up 100 per cent. fine with an excellent stand. Farmers who were prepared with winter feed have brought their stock through the winter in good shape, but others have suffered heavy losses. Mr. Crandall says that he has not seen since 1907, so many dead animals along the railway right of way, as when coming west from Swift Current to Bassano; there were literally hundreds—and not only cattle but horses as well. This situation is still serious as April is a bad month and there will be no new feed available until May; cattle that are lean and weak have a hard time to survive this period.

The Coal Strike

The coal strike is a direct factor in the business situation in the Maritimes and on the prairies and an indirect influence throughout the whole country, not only because of the fuel situation, but because the crisis is one which primarily involves the wage issue. For the time being the reserves of coal are sufficient to meet demands.

The strike on the job in Nova Scotia is attracting wide attention. The men are making some wild charges about dividends on the watered stock of the British Empire Steel Corporation being paid out of their earnings. There is much to criticize about this merger, but there is little to indicate that wages of workers are suffering from the dividends being paid—if the dividends were being either earned or paid it might be another matter. On the other hand the situation in the steel industry is such that if costs are increased at this time, the output will undoubtedly suffer with attendant effect upon employment in that industry.

In the West, the operators declare that they will not meet the demands of the men, which they claim are altogether unreasonable. They declare that they will leave the mines closed rather than continue to operate under the conditions which have prevailed; under the circumstances they rather count the strike as a means of bringing the issue to a head.

Business is "Spotty"

Reports indicate spotty conditions as regards retail business. In some localities there is a fair demand with improved buying on the part of the farmers, but in others there has been a slackening of demand and spring goods are moving slowly; this directly affects collections and at the same time is a deterrent against forward orders for fall delivery. Over a considerable area the March-end blizzard has had a depressing effect on demands for seasonable goods and better weather should help spring buying. Reports from manufacturers reflect the conditions indicated, some are finding few orders and collections slow while in other lines there is a distinct improvement in demand, particularly where farmers are now displaying more confidence in the future.

TOO MANY RAILROADS NOW

Where C.N.R. and G.T.R. services can be linked up and the costs reduced, this is being done, with the idea of cutting down the heavy deficits which the Canadian taxpayers have to bear. The Port Hope Guide states the telephone was removed from the C.N.R. station some months ago, and recently all the telegraph instruments were taken out. "And still," observes the Guide, "Adam Beck would like to load us up with another road."

STRIKING ON JOB PROTEST AGAINST MORDEN METHODS

But Men Have Exaggerated Idea Regarding "Watered Stock"

From Our Own Correspondent

HALIFAX.—Unless something like a miracle happens it is difficult to see how a disastrous conflict in the Nova Scotia coal mines can be averted, and with the miners voting to suspend the constitution of their union and make Secretary MacLauchlan a dictator, the chances are that a lockout or strike will lead to revolutionary outbreaks. Successive waves of hysteria have been sweeping over the miners, engendering an ugly spirit of defiance and bitterness.

The reconvening of the Gillen Conciliation Board may help the situation if it offers a free outlet for the men's hysteria, but it must be said that chances of moderate counsels prevailing seem slight. That board admittedly did not go fully into the causes of the men's complaints. The representatives of the British Empire Steel Corporation made a general denial of the change that the miners were expected to pay dividends on the capitalization of the idle steel plants, and two idle shipbuilding plants, and they pointed out that no dividends were being paid on a large portion of the stock of the British Empire Steel Corporation. The company did not give detailed information of production costs, which the men's representatives thought they had a right to, and this has given the extremists a handle for the complaint that the miners are fighting "the stock gamblers of Montreal." It is a long standing grievance of the miners that they have been obliged to mine coal and see it sold to other industries at uneconomic prices. When the Dominion Coal Company was first organized, a considerable portion of the output was sold to Whitney's New England Gas Companies for about $1.50 per ton; and later a large quantity was sold to the Dominion Steel Company at a very low price under a contract which was only broken by the late Sir James Ross, after a famous fight.

Now some of the miners' leaders believe they have found a weapon which will compel the coal companies to carry on coal mining as an independent industry, charging the steel companies large prices for fuel. In such case, the miners profess to believe that the coal companies could afford to pay them better wages. One weakness of this argument is that at present the steel companies are using very little coal, while if the steel companies are not able to secure coal at a low valuation, they will have difficulty developing new business, and with it a demand for coal, to fill which gives the miners' opportunity for employment.

FIRE LOSS RATIO OVER 57% IN 1921

Increase From 1920's Ratio of 51.50% and 1919's of 44.34%

The ratio of fire losses incurred to premiums earned of insurance companies operating in Canada in 1921 was 57.51 per cent., according to figures supplied by G. D. Finlayson, Dominion superintendent of insurance. This is a considerable increase over any recent year. The figure for 1920 was 51.50 per cent.

Classifying the figures by companies it is seen that Canadian fire insurance companies earned premiums of $7,503.121 and incurred losses of $4,088,022 a rate of loss of 54.48 per cent. The best of the three groups. Last year's ratio was 47.33 per cent. and 1919's 44.34 per cent.

British companies on their Canadian business received premiums of $23,786,264 and incurred losses of $13,170,323, a rate of 55.37 per cent. as against 49.87 per cent in 1920.

Foreign companies received premiums of $16,458,389 and incurred losses of $10,205,512 a loss ratio of no less than 62.01 per cent. Their 1920 figure was 55.83 per cent.

MEXICO RED LAWS MENACE TO TRADE AND INVESTMENT

New Regime Necessary to Stabilize Business Conditions

EXCURSIONS GOOD

But Miss Laut Advises Canadian Manufacturers Not to Put Too Much Faith in Conditions

By AGNES C. LAUT.

The Canadian Manufacturers Association is endeavoring to arrange a party of the members to take a trip to Mexico to study the trade possibilities in that country. THE FINANCIAL POST has requested Miss Laut to discuss this proposal in view of her own experiences in visiting that country as a trade, industrial and financial investigator.—Editor.

There is a tremendous drive of publicity just now in the American press to induce the recognition of Obregon as president of Mexico. It is running at the time of writing at the rate of about a column a day in the leading American papers. Also motions have been made in Congress to force the recognition. Farm delegates, whose exports to Mexico would benefit by such recognition, have interviewed the Secretary of State on the same subject; for the time is rapidly coming when Mexico can no longer pay gold for her tremendous imports of cereals and beef and other foods; and in view of Mexico's past record of seized bank coin, confiscated lands, defaulted bonds, unpaid debts, extortionate taxation against foreigners, Mexican credit cannot be accepted by foreign exporters till such credits are guaranteed by official recognition. It is also well known that England and the United States are acting in harmony on this recognition.

Mexico cannot be blamed for this drive to obtain recognition. When her oil production slackens down this summer, her revenues will dwindle 60 to 70 per cent.; and foreigners will not go ahead and expand either mining, or oil operations, till they know their properties are not going to be subjected to "nationalization," either under the name of taxation, or theft. This is the stand taken by the United States Secretary of State—Mexico must sign a treaty guaranteeing the integrity of foreign investment under Mexican law before recognition will be accorded. There is no doubt the force of economic need will compel this guarantee by Mexico in the very near future. It is guarantee, or smash and economic chaos.

Well Entertained

Meanwhile, as part of the drive to obtain recognition, for more than a year American Chambers of Commerce have been invited on excur-

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PLANNING WIDER POWERS FOR ALL INSURANCE COS.

Legislation at Ottawa to Enable Them to Cover Other Fields

From Our Political Correspondent

OTTAWA.—Legislation will be introduced by the Department of Insurance, it is understood, by which the authority of insurance companies will be extended to write other lines of insurance than those permitted hitherto. The amendment will permit life companies to take fire and casualty risks, and fire companies to write life policies and so on.

With the exception of four or five companies who were doing business in Canada forty years or so ago, the others are restricted. Even life and fire companies cannot write casualty insurance. The new authority is not likely to be exercised to any great extent by Canadian life companies who are not equipped for the new lines, nor are fire companies likely to go into life insurance.

English and United States companies writing these other lines in their own countries, however, may be expected to extend their scope in Canada under the new legislation.

One of the arguments in favor of the extended powers from the company's standpoint is that local agents would be able to limit themselves to the one company, instead of being compelled as now, to go out and get agencies from other companies in order to give a complete line: life, fire and casualty.

Picking Off The Plums

It will be generally admitted that those directors of Canada Steamship Lines who went into the business of organizing companies that would trade with their own company, not openly, but in a camouflaged manner that in the ordinary course would never come to the attention of their shareholders, were playing a DANGEROUS GAME. It is conceivable, of course, that transactions did take place in which the company was not a direct loser; in which it was not made to "pay through the nose," in which it was not charged excessive prices in order that the "silent" partners might pile up profits.

It is also equally true, that a temptation arose before these secret partners in these subsidiary concerns—whenever they feared they were likely to lose through hanging on, to unload on the helpless shoulders of their own Company; making it bear a loss to save themselves; or as in the case of vessel purchases, making it take over properties on a falling market on which they themselves had made handsome profits. The Montreal Transportation Company and the Ivor Heath affairs bear this out. No shareholder could ever feel he was getting a square deal, or a "run for his money," where directors have acted in the apparently wholesale "toll-gate" fashion of some of those of Canada Steamship Lines. Their conduct is being condemned far and wide—now that light has been let in upon it—as little short of an outrage. The passing of the preferred dividend can be traced directly, we believe, to transactions such as the M. T. Co. and the Davie Shipbuilding Co. deals.

But this is not all. Directors of such a mind do not usually scruple to pick off profitable plums that might otherwise fall to the lot of their own company and benefit the shareholders thereby. We are informed of an instance where an offer was made to the company to take over a coal company which might be operated advantageously in connection with the transportation business as this had very valuable agencies with coal operators and tonnage for the Steamships Company to transport. Did they do so? Hardly. Private profits, it would appear, looked too good for that. A group, we are informed, was formed, including the present president of Canada Steamship Lines and one other director, took up this proposition as individuals, and operated it themselves. There is a suggestion that three other officials of Canada Steamship Lines, who were on the inside, were let in on this to a small amount each. We are also informed that a full Board of Directors of the Company was never given the opportunity even to consider the offer.

As we have said, it was a dangerous game that was being played; a game that was fatal for their retaining public confidence once an inkling of the real facts became known to shareholders or the investing public. What earthly chance had an investor against such a game? It is difficult enough with everything operated above board to make sure of a return on an investment, but under conditions that appear to have existed, what wonder that the working capital was dissipated, that huge debts have been piled up; that first the common and then the preferred dividend had to go?

Two Days a Week—$12 a Day

WHEN JAMES WOODSWORTH, Labor M. P., for Centre Winnipeg, stated in Toronto that "in Alberta I found most of the men were working only two days a week, and, athough they received $12 per day, they only made a living at that," he gave the crux of the situation responsible for the present crisis in coal mining and much of the labor trouble in other fields, not to mention the slow adjustment of the cost of living, the business depression and unemployment.

There are vast reserves of coal in Alberta.

The coal supplies on the prairies come largely from Eastern fields in the United States.

Western coal miners get $12 per day and work two days a week. If they worked for $6 per day and six days a week they would get $36 a week instead of $24; they would be much better off working than loafing; they would materially reduce the cost of coal so that there would be a market to encourage capital, which is now doing nothing to expand activities because there is no profit to be made. Mine owners inform THE FINANCIAL POST that the situation in Alberta is such that they have been in the hands of the union officials. They declare that they would rather see their properties idle than to continue trying to work them under these conditions.

The situation in Alberta appears to illustrate in an aggravated way the conditions prevailing throughout the industry in America. Short hours and high wages have brought about a situation which is economically unsound. The industry cannot maintain such a large number of short-day workers at high wages without putting an undue burden upon the coal consuming householder and the manufacturer who is trying to get his costs down to a basis which will enable him to market a larger volume of his products, thus relieving industrial unemployment; lower fuel costs for the railroads are also necessary to bring down freight rates as another important factor in relation to industrial activity.

How The Tax Payer Pays

According to the report of Murray and Flood "the annual increased cost of power to Fort William and Port Arthur under the conditions of the Nipigon development fully loaded to its present capacity would amount to about $60,300 for Fort William and $212,000 for Port Arthur."

It is estimated that there are about 3,200 ratepayers in Fort William and 2,400 ratepayers in Port Arthur. Therefore every ratepayer in Fort William is bearing an annual burden of $20 and every ratepayer in Port Arthur a burden of about $90 to pay for Beck's expensive venture to put the Holt efficient, dividend-paying power development out of business.

Otherwise this burden will have to be borne by the general taxpayers of the province. Further, while Nipigon and Chippawa are piling up burdens for the taxpayers and paying no taxes themselves, the private power enterprises are paying taxes on the basis of about 7 per cent. of their gross annual revenue.

No Starving Children in Russia According to Soviet Organizer

While the agents of the various Russian famine funds are painting a dire picture of the starving children under the Soviet regime, an entirely different coloring to the present conditions in Russia is being given by those who would set up a Soviet in Canada. At a recent meeting at the Soo, T. J. Bell, organizer of the "Workers' Party of Canada" told of the wonders of Soviet rule as exemplified in Russia and displayed "pictures of the Russian Revolution which have never been shown in this country, and are of great interest to every worker."

The pictures, we are informed by a business man of the Soo who attended the meeting, showed how well cared for are the aged and children in Russia. Thousands of children are shown being cared for and cured of tuberculosis by the sun cure. In fact THE FINANCIAL POST is informed, things were shown to be "rosy with everything lovely."

The Soviet agent emphasized the fact that the Soviet had an army of 5,000,000 men. Pictures showed hundreds of young Russian cadets being trained to be expert military officers; the speaker stressed particularly the statement that there were 300,000 of these young cadets.

The speaker declared that his purpose was to organize workers councils of an educational nature, the members to be taught economics, how to run a Soviet and how to shoot—he repeated the word shoot with force. He said that he believed in communism but not yellow socialism. When the Russian army wavered, he observed, the communists rushed in and put things in order; they were the ones to the front everywhere in Russia.

INTERNATIONAL NICKEL

International Nickel Company has declared regular quarterly dividend of $1.50 on the preferred stock, payable May 1 to stock of record April 18.

GRAVE DOUBTS IF LEMIEUX ACT IS CONSTITUTIONAL

The Question of Provincial Rights is Being Raised

COAL WAGE DISPUTE

An Important Decision by Supreme Court in Nova Scotia in Appeal Against Verdict

From Our Political Correspondent

OTTAWA.—The prominent part being played by the Minister of Labor as a Federal official in the dispute between the British Empire Steel Corporation and the miners employed by the Dominion Coal Co. at Sydney, N. S., has brought up the question in certain legal and industrial circles in Canada, as to whether the Lemieux Act is really constitutional or not—whether in seeking to exercise control over disputes in regard to wages it is not infringing on Provincial rights and therefore "ultra vires."

Probably this point would have been raised months or years ago by one or the other party to disputes were it not that the Dominion legislation has appeared to many to be rather better adapted to handling disputes than statutes at present in force in the various provinces. It seems certain, however, that within the very near future the question will be raised as to the constitutionality of this well known measure, the terms of which are understood to have been drafted by the present Prime Minister of Canada while he was a Deputy in the Department of Labor under Hon. Rodolphe Lemieux, now speaker of the House.

There is strong evidence of the theory that the Act is ultra vires in the recent decision by the Supreme Court of the Province of Nova Scotia when the Dominion Coal Co. appealed against a decision of a lower court in favor of the United Mine Workers. This decision had granted an injunction against the Company putting into effect a new scale of wages on January 1, 1922, and the ground for the decision was that clause 57 of the Lemieux Act has been violated by the Company. This clause declares that employers and employees shall give at least thirty days notice of an intended change affecting conditions of employment with respect to wages and hours; "and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both the parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours ...... but the relationship of employer and employee shall continue uninterrupted by the dispute or anything arising out of the dispute ...."

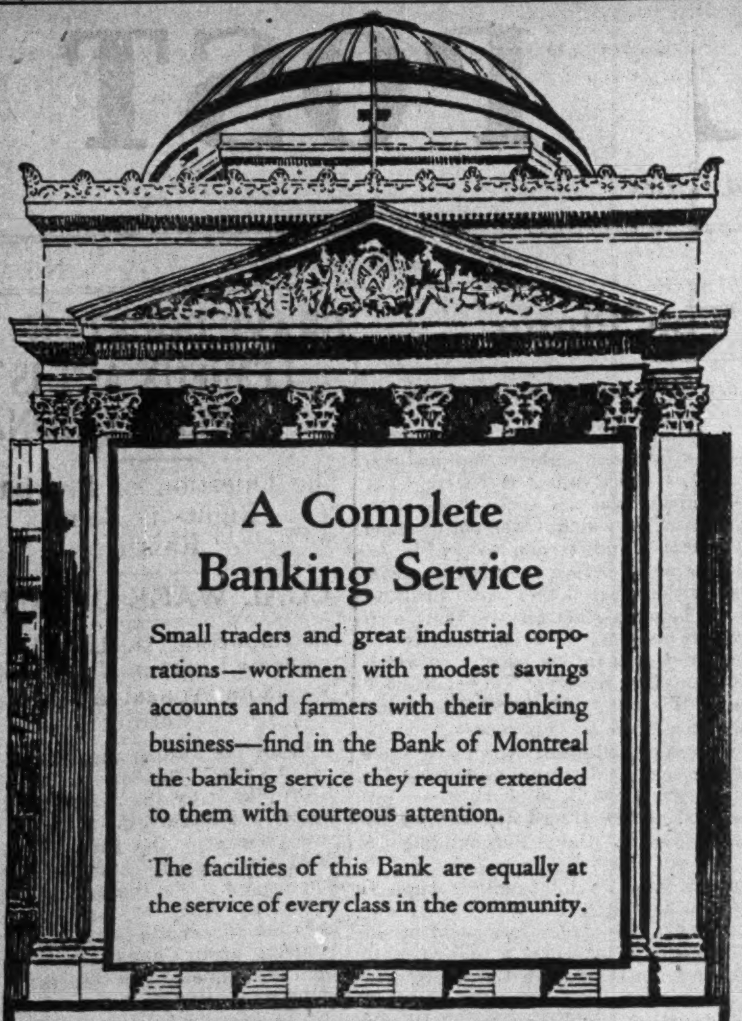
The finding of the Supreme Court was, in brief, that there was no existing agreement between the two parties as this had been brought to an end on December 31, 1921, and a new one was being considered. Mr. Justice Ritchie accepted this as outlined by Mr. Justice Mellish but made it clear that he doubted the legality of the Act. He said:

"I may add that I have very grave doubt as to the power of the Parliament of Canada to pass the Statute on which the application for an injunction is made. The jurisdiction to legislate concerning property and civil rights is by section 92 of the British North American Act given exclusively to the local legislature. The right to have wages continue on a certain scale that the plaintiffs contend for is certainly a 'civil right.' The most plausible contention made in support of the Statute was that it was intra vires as being a law for the 'peace, order and good government of Canada.'"

It is significant, also, that when the Act was before the House of Commons at the time, the question arose regarding the power of the Dominion, and Mr. Newcombe, Deputy Minister of Justice, supported the Act as within the power of the Dominion, but he was unsuccessful in pressing the views contained in his opinion before the Privy Council in the Board of Commerce case.

Mr. Justice Mellish himself declared that the point as to the Act being constitutional did not require to be decided, as he quashed the injunction on other grounds, but made this reference to the point; "Assuming for the present that the Dominion Parliament has the power to legislate in a way affecting, as this section obviously must, 'proper and civil rights in the Province of Nova Scotia'—a section which under section 92 of the B. N. A. Act is assigned exclusively to the Provincial Legislature, " etc.

It is evident that both judges had serious doubts as to the Lemieux Act being constitutional.



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TWO-THIRDS OF ACCIDENTS CAN BE PREVENTED

Too Many Accidents Are Caused by Carelessness of Employees

PREVENT ACCIDENTS

Should Help Place a Man on His Feet, Financially, After He Returns From Hospital

By S. PRICE
Chairman of Ontario Compensation Board, Before Safety Convention.

Injuries suffered by employees, in Ontario last year, were both very numerous and variable. It may be of interest to mention some of those that most frequently occur. There were 151 permanent and nearly 800 temporary eye injuries; 272 permanent leg and foot injuries; 156 permanent arm injuries; and 1,669 permanent hand or finger injuries; among the temporary disability cases there were over 8,000 cuts, lacerations and punctures; over 5,000 bruises, contusions, and abrasions; 1,800 fractures; 2,500 crushes; 1,500 sprains, strains, twistings and wrenchings; 1,700 burns and scalds; and nearly 200 dislocations.

I am not an expert in accident prevention, but I see significance in the fact that less than one-third of all the accidents we have are on machinery. What about the other two-thirds? It is not by putting guards upon machinery, useful as that is in its way, that the great bulk of accidents can be prevented. It must be by general habits of carefulness, and that is true largely also of accidents on machinery.

Stepping on and knocking against objects caused 2,455 accidents during the year; letting objects or material fall caused 1,341; the falling of workmen caused 3,952; 10,609 accidents resulted from the handling of objects or material, in loading, carrying, piling, etc. The table in the board's annual reports showing the causes of accidents affords a very interesting study.

Sympathetic Co-operation

First, I think it is important that there should be proper surrounding physical conditions, suitable space, efficient organization, and orderly arrangement of the factory or plant. I think a still more important thing is the state of mind and attitude of the workers, foremen, superintendents and managers. Is there sympathetic co-operation in the work and in the desire to avoid mishaps? Is it looked upon not only as a misfortune but also as a reflection upon workmen, foremen and management to have preventable accidents? Is the employer actively in earnest about preventing them? Does he hold his superintendents and his foremen personally responsible when they happen? Will he deal with them as sternly for having workmen under them carelessly injured and maimed as he would for having his machinery or material carelessly and needlessly broken or destroyed? I believe this is the most important factor in accident prevention.

So far as machinery goes, the old offenders, abrasive wheels, saws and presses and stamping machines, continue to take their heavy annual toll of eyes, hands and fingers, and sometimes the lives of workmen. Goggles, guards and carefulness would rob these three offenders of much of their destructiveness.

Another very frequent cause of accident is molten metal getting into workmen's shoes, which could be prevented by proper footwear.

All these are things you have frequently had discussed before, but until there is greater diminution in such accidents they cannot be too often mentioned.

One other particular kind of accident I will refer to, namely the injury of comparatively young boys upon machinery, fingers, hands, or arms lost upon presses, saws, planers, etc. These are far too frequent. This should have the earnest attention of every employer.

Next thing in importance to prevention of accidents is to prevent or mitigate their evil consequences. Whether a cut, scratch, or other wound is to become infected will largely depend upon the prompt and efficient application of first-aid treatment to sterilize the wound and keep out infection. Employers should provide first aid equipment in their factory or plant and have it in charge of someone competent to use it, and should insist on workmen immediately reporting wounds, even though slight, and having them attended to. The importance of this is not sufficiently realized.

Another very important branch of first aid is resuscitation in case of drowning or electric shock, especially the latter. Many a life can be saved by the prompt use of proper and persistent measures of resuscitation.

Malingering

I have mentioned as means of mitigation of the effect of accidents efficient first aid measures and skilful surgical attention. There is one other thing I would like to say a word about—getting the injured workman back to work. This will no doubt at once suggest the disagreeable word "malingering." But it is not for the board to run away from disagreeable questions. Every pains and care should be taken to see that workmen get back to work when they are able. Employer, doctor, workmen and board should co-operate to this end. And here again is to be emphasized the importance of having doctors of the highest integrity and character. Malingering should not be tolerated. In the end it would be workmen generally who would suffer most by anything that would bring discredit upon the Act. No doubt at the present time there is more than ordinary danger of malingering, but, frankly, I do not believe it prevails, or even has prevailed, to any serious extent under our Ontario Act.

TO MILL CANADIAN WHEAT IN BOND

Minneapolis Millers Claim it Would Add Stability to Industry

Milling Canadian wheat in bond as a means of stabilizing the flour industry in Minneapolis was advocated by James Ford Bell, vice-president of the Washburn-Crosby Company, in a recent address to the Bankers' Forum of the Minneapolis Chapter, American Institute of Banking.

Mr. Bell's proposal is that the United States millers shall be permitted to import Canadian wheat in any amount for the manufacture of flour for export purposes. Under this proposal, Mr. Bell explained, the millers would be bonded by the Secretary of the Treasury while importing the wheat and such bonds would be cancelled when flour has been exported equivalent to the amount of grain imported.

"Canada has a great surplus of wheat which is not milled, while practically the entire United States supply, because of immediate demands, must be made into flour," he said. "Drawing upon the Canadian supply would give the milling industry of Minneapolis and the nation greater stability.

"Minneapolis is certain to remain the milling centre of the world. Of that there can be no question. The industry is strategically situated and with the big increase of population, greater demands for dairy and food products are a certainty—demands which will ultimately mean that the United States will consume its entire production."

WHERE BANKRUPTCY ACT IS ATTACKED

Quebec Division of C. M. A. Urge Executive to Support Several Changes

From Our Own Correspondent

MONTREAL.—A great deal of dissatisfaction has arisen among business men, particularly manufacturers, at the manner in which the new Bankruptcy Act has been working out this year, and the Quebec Division of the Canadian Manufacturers' Association is submitting several suggestions to the Executive Committee of the C.M.A., with a request that these be urged upon the Federal Government.

One of these asked that a debtor, before making an assignment, must consult his largest bonafide unsecured trade creditor, and make an assignment to the authorized trustee whom the said creditor designates. It has been found that a large number of authorized trustees have been appointed, 124 alone in the City of Montreal, and a large number of these have not the qualifications nor the machinery for handling insolvent estates properly with the result that the net proceeds have suffered severely. The larger creditors, it is felt, will be more likely to appoint a competent trustee.

It is also asked that the trustee, when sending out notices of the first statutory meeting when an assignment has been made, should be compelled to enclose a list of the creditors with their addresses and the amounts owing. In this way the larger ones will be prepared to take joint action for mutual benefit at the time of the meeting.

An effort will be made also to compel a trustee to take a physical inventory of all assets and submit to the creditors a statement of assets and liabilities. In the past very often a statement has been sent out that was prepared entirely by the debtor. Under the present Act the trustee is not required to make such a statement.

A change will also be sought in the Act by which it would be possible for a creditor or creditors, whose claims amount to $500 or over to apply to the Bankruptcy Court for a receiving order and the appointment of a trustee where a debtor has ceased to meet his payments. It is claimed that the length of time required now is much too long and that a dishonest debtor in the interval might dispose of a large amount of his assets and thus defraud most of his creditors.

American Life Insurance companies have reports of big decrease in German illness and they attribute the present state of health of the Germans to a restricted and simple diet.

CANADIAN GOLD MINES LAST YEAR MAKE NEW RECORD

Only Country to Show Increased Production Over Past Two Years

EMPIRE PRODUCED 70%

High Production Costs in the South African Mines Must be Lowered to Operate at Profit

In view of the greatly increased interest in the gold mines of Northern Ontario and in Canada generally, the following condensed tables prepared by the London Statist are of considerable interest in that Canada holds enviable postion of being the only country which has shown an increase in the value of gold produced. While the tables have been collected from official sources all the returns are not in, although the main producers have reported.

Totals for	1921 Ounces	1920 Ounces	1919 Ounces
Africa	8,935,585	6,942,183	9,285,038
Australia	757,221	943,965	1,068,301
New Zealand	350,000*	474,650	588,662
India	360,000*	499,068	507,261
Canada	924,374	765,007	766,764
Brit. Empire	11,327,180	11,624,873	12,216,026
United States	2,300,000*	2,395,017	2,918,628
Mexico	650,000*	735,078	737,650
Other Countries	1,460,000*	1,806,190	1,857,140
Grand Total	15,737,180	16,661,158	17,729,444

*Provisional.

Total Value of Gold Produced in	1921 £	1920 £	1919 £
Africa	37,976,236	38,004,278	39,461,411
Australia	3,218,189	4,011,851	4,540,279
New Zealand	1,487,500*	2,017,263	2,501,814
India	1,530,000*	2,121,039	2,155,859
Canada	4,972,164	3,251,280	3,258,747
Brit. Empire	49,184,089	49,405,711	51,918,110
United States	9,775,000*	10,178,822	12,404,169
Mexico	2,762,500*	3,124,061	3,135,013
Other Countries	6,205,000*	7,676,307	7,892,845
Grand Total	66,926,589	70,384,921	75,350,137

*Provisional.

The declining tendency of the world's gold production, evident since 1915, when the peak was reached, still continues, the fall to date being over one million ounces, to which the British Empire has materially contributed. Even at that British proportion of the world's output is almost unchanged, at approximately 70 per cent. This predominant position is of course due to the Transvaal mines, which produced last year 52.4 per cent. of the world's supply. It is certain, however, that radical changes will have to be made both in the cost of production and the scale of production in the Transvaal during the current year to maintain this proportion.

The highest price for gold on the London market was reached in February 1920, when it was quoted at $30.56, the average price for that year being $27.11. The quotation during 1921 fell considerably, the highest and lowest being $27.82 and $23.42 respectively. The fall was continued throughout the year with the improvement in New York Exchange, the price now being $22.98. The result was that the mines in South Africa have been brought to a critical position and now must cut down working costs or face bankruptcy.

On the other hand the Canadian mines in their annual reports show in practically every case, that the cost of production has dropped materially, labor is plentiful and of higher efficiency than before. Then again the mines have attracted a large amount of interest of late and it seems certain that with all the development work to be carried out that important new discoveries will be made.

Merchants Moulders of Public Opinion

"Merchants must come out of the rut and help mould public opinion by honest, fearless championship of local and national projects," D. F. Kelly declared amid aplause at the Interstate Merchants' Council Convention at Chicago. "Hesitancy of merchants to enter public activities," he said, "had permitted creation of false stories of profiteering, when the white truth is that merchants are not profiteers."

He praised the few great merchants who, at the cost of revealing their own trade secrets, had championed the cause of all merchants and who had, incidentally, exploded fundamental arguments of valuation proponents.

Promoter Takes All Prizes by Quotation

That line of fine type at the bottom of all stock prospectuses, "The statements contained herein, while believed accurate, are not guaranteed," causes issuing houses much study. Although a necessary protection and usually a mere form, it may have an unfortunate effect on the reader's confidence. A number of wordings each believed to be innocuous are in use. Recently, however, a promoter has taken all prizes by printing at the top of his letter: "Advance Proof. The statements contained herein are subject to correction."

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DIVIDEND NUMBER 96
Hollinger Consolidated Gold Mines, Ltd.
("No Personal Liability")

A dividend of 1% on the paid-up capital stock of the Company has been declared payable on the 22nd day of April, 1922, on which date cheques will be mailed to shareholders of record at the close of business on the 7th day of April, 1922.

Dated the 31st day of March, 1922.
D. A. DUNLAP,
Treasurer.

MINERS DO TOO LITTLE WORK FOR THE WAGES PAID

Great Difficulty is in the Over-manning and Over-equipment

BIG COAL RESERVES

The Situation is Such That a Victory by the Men Does Not Seem Possible—Public Not Much Concerned

By ALAN H. TEMPLE,
In Commerce and Finance.

The real tragedy of this coal strike is that its settlement will not, and cannot, touch the overmanning and the overequipment in which the strike has its roots.

The chief trouble with the bituminous coal industry is that it has 30 per cent. more miners than there is work for, even in its best years. In the disastrous year 1921 there were nearly twice as many miners as there was work for. As a result each miner worked an average of slightly more than three days a week.

These figures are from the Geological Survey. They confirm the findings of many other investigators.

We have not yet reached the time when a manual laborer can earn a satisfying wage by working three days a week, nor when capital can earn a satisfying profit in an industry which must support twice as many laborers as it needs. This was the situation in 1921, and it is all the explanation needed for the strike which in the unionized bituminous and anthracite mines of the country started last Saturday. The miners, under severe hardship because of lack of work, are trying to make the operators maintain an exorbitant rate of pay so they can live on half time labor. The operators, unable to pass this excessive wage charge onto the consumer because of stagnant demand, and ground between the millstones of high costs and low selling prices, are trying to reduce the charge at its source.

A Lot Of Bungling

It is usual for commentators on this strike to say, "I can't make up my mind which side is wrong. There seems to be so much to say for both." The answer is not so much that either is wrong as that both are victims of a colossally bungled industry in whose bungling the public has assisted as much as either of them,—bungled because as it is organized at present the public must pay the cost of maintaining one third more miners, one third more plant and capital and one third more cars for transportation than the industry needs.

Bituminous production in this country averages somewhat more than 500,000,000 tons a year. But demand is not constant. Consumers do not buy coal during the slack months of spring and summer, and as engineers have not yet devised a system of storage at the mine mouth, production falls off during those months, to rise again with the approach of cold weather to a rate of 700,000,000 or even 750,000,000 tons annually. To reach this peak production the full resources of the industry are needed, and during the slack months these miners and equipment must be maintained, whether active or idle. This cost is added to prices, and the public pays.

That is the situation in a normal year. This year it is different. The public is not paying the cost because the general industrial slump has shot the market to pieces. Consumption and demand are far below normal and buyers have controlled prices more than sellers. It is now seen that the war policy of the coal administration in stimulating output in mines that could be operated only at nigh cost instead of a more intensive production in low cost mines was a mistake, in that it has resulted in overmanning the industry to a greater extent than ever. Now these high cost mines have been forced to curtail greatly or close altogether, while business has gone to the low cost mines.

In the curtailment of operations in the union mines is the genesis of the strike.

Less Pay More Work

Operators say that if miners will accept less pay they will make it up by having more work. This is true to some extent but is more rosy in the promise than the performance, for consumption is not more than 60 per cent. of the industry's potential production and at present it is impossible to give all miners work more than 60 per cent. of the time. Union leaders say that because the miners produce more than is needed they should have to work only six hours a day, five days a week, which is so obvious an attempt to make the public pay a full time living for part time work that it deserves no consideration.

Transportation complicates the problem. At present it costs in many cases more to transport coal to the consumer than it does to take it out of the ground. This is not necessarily due to gouging by the railroads, for they have to supply cars to many mines which by reason of high costs ought not to be operated at all, and all this work has to be paid for somehow. This of course points to the concentration of production at the richer and lowercost mines as one of the solutions of the problem.

Big Reserve Stocks

As for the immediate result of the strike, the defeat of the unions seems inevitable, so inevitable, in fact, that their courage in going into it is to be admired. A reserve stock of probably 65,000,000 tons of bituminous has been created and nonunion mines will turn out during the first week probably 4,000,000 tons.

Public indifference to the strike, the greatest that the coal industry has ever seen, is easily understood in view of these statistics. The outcome will probably be a lower wage for miners and possibly some dispersal of mine labor, a consummation devoutly to be wished if it could be accompanied by a corresponding dispersal of plant equipment and capital. The strike will not touch the fundamental trouble with the industry, its over-manning, and until that is remedied, or until union control of the miners is ended, a capital-labor war is to be expected with the ending of every wage agreement. As usual the public will be the chief sufferer.

SEMI-MORATORIUM TO AID FARMERS

Alberta Government Appoints Commissioner to Rule in All Debtors' Disputes

From Our Own Correspondent

EDMONTON.—A semi-moratorium in behalf of farmers in southern Alberta drought areas was passed by the Legislature among its last acts. This legislation has been enacted in the hope of giving reasonable protection to debtors and at the same time ensuring against unnecessary default of their obligations. It provides for the division of the area into drought districts and the appointment of a drought area commissioner, to whom all debtors' cases will be referred.

The Government has taken a strong attitude against excessive paternalism, and the relief proposed under this new act is not intended to increase the reliance of the farmer-public upon the Government but to give them only a chance to meet their debts in case of crop failure. The commissioner and his local assistants will endeavor to bring about amicable adjustments between debtors and creditors, and the latter are further protected by a clause which gives the attorney general power to apply to a judge for a receiving order against any debtor in the area, whereupon any creditor may proceed for himself and other creditors.

Exemption is to be made from any year's crop of a sufficient proportion to give the farmer food, clothing, and seed grain, and no chattel mortgages are to interfere with this exemption. It will rest with the drought area commissioner to certify as to the amount that may thus be exempted in each individual case.

The act does not have the full effect of a moratorium but only of a semi-moratorium, provisions still being left for action against debtors if they attempt to evade their fair responsibilities.

PRAIRIE VEGETABLES ARE TO BE CANNED

Stock of The Central Canada Canning Company Being Floated in Winnipeg

From Our Own Correspondent

WINNIPEG.—The first vegetable cannery for Manitoba is expected to be put into operation in the vicinity of Winnipeg, during the present season. Having obtained a charter under the name The Central Canada Canning Company, with authority to place the company's stock on the market, D. E. Williams, Union Trust Building is presently canvassing farming support for the new industrial enterprise. A series of meetings is in progress. Prof. Broderick of Manitoba Agricultural College and Mr. Almy of the Agricultural Extension Department are attending the meetings to impress upon the vegetable growers the value canning factories would be to the growers.

The development of the movement for canneries in this province is a significant industrial undertaking. The success of the first canning factory unquestionably would bring the creation of other canning companies and the probable establishment of a chain of canning factories throughout Manitoba, and the other Western provinces, similar to the well known chain of the Dominion Canners, Ltd. While the immediate aim in starting canning factories here is to prevent the great yearly wastage of Manitoba vegetables the economic influence would be even more far reaching. At the present the west is a great potential market for the eastern canners but the springing up of canning factories in Manitoba, would appear ultimately to provide for western consumption, and thus lessen the Canadian western market for the products of the eastern canners.

"SPOON-FEEDING" NEW SETTLERS A BIG MISTAKE

Big Irrigation Scheme in Australia a Calamitous Failure

FACTORY LOSS

Trading Deficiency in Single Year Was 80 Per Cent. of Fixed Capital — Not Practical Proposition

Paternalism towards new settlers has been tried out on an extensive scale in Australia on what is known as the Murrumbidgee Irrigation area in New South Wales. The last available balance sheet shows a net loss for the year of £471,399 10s 9d for the year; this is an increase of £186,832 4s 11d on the net loss of the previous year. This increase is mainly attributable to the canning factory, the year's results of which are described as "calamitous" by the Auditor-General, who observes that "there is apparently no prospect of the earnings being able to meet the huge liability for interest on capital, etc. This aspect invites the question whether it would be possible to relieve the areas of any portion of the capital cost, which was £6,196,554 10s 6d at June 30."

Dealing with the tremendous increase in advances to settlers the report quotes the following figures:

	£	s.	d.
1916	216,681	5	1
1917	261,030	14	3
1918	281,999	8	4
1919	325,926	1	4
1920	538,877	9	6
1921	831,227	17	6

The Auditor-General points out that in many cases advances have been made to settlers on a scale which means an interest burden more than justified as a business proposition. In many cases, too, the whole improvements have been carried out by day labor for which the government has advanced the funds. At the same time settlers have been drawing living allowances and all has been added to the capital indebtedness. These advances, it is argued, have not been justified because they are not represented in increased value of the property, but have been used for sustenance. Further:

> The history of the areas is so full of losses on account of compensations, remissions of indebtedness, and on the realisation of abandoned improvements, that the experience so gained might well have had a restraining influence in later transactions, yet it is by no means singular to hear that soldiers' farms are over capitalised, or that suggestions have been put forward by settlers for revaluation of improvements with the view of reducing the indebtedness.

The following statement shows the growth of the deficit during the last few years:

		Revenue	Deficit
1918	£ 74,886	£38,496	£36,390
1919	82,629	42,332	40,296
1920	140,244	68,525	71,719
1921	308,037	92,512	215,525

The losses sustained in the operation of the big canning factory are dealt with in detail by the Auditor-General. Commercially the trading loss was equal to 70 per cent, or if interest on capital be included, to 80 per cent. of the fixed capital of the factory. Continuing, the statement of the Auditor-General indicates that to all intents and purposes the canning enterprise is bankrupt. During its short trading life "it has lost £205,371, or almost £21,000 more than its fixed capital, it follows that this stage has been passed, and, as a practical business proposition, the factory would cease operations."

Lavish expenditures and reckless management are indicated as features of the conduct of the whole enterprise. The Auditor-General says:

> The fallacy of considering this immense undertaking, comprised of many activities of diverse natures, as an industrial undertaking becomes more apparent each year. These irrigation areas, a huge experiment of national character and importance conjoined with industrial activities founded purely for the benefit of the settlers, have been outlayed by lavish expenditure without consideration of economy and the ultimate commercial success. In many respects operations have been carried out on a grandiose, not on a practical business or utilitarian basis.
>
> The natural concomitant of experiments of such magnitude and nature is initial failure with attendant loss, which under efficient administration is, in due course, rectified with resultant success. Ten years have elapsed since the inauguration of the areas, a period sufficient to have garnered experience enough to obviate disastrous results, nevertheless year by year serious losses have been accumulated and this year the climax has been reached. When viewed from the financial standpoint the results to date have been calamitous, but adjudged from the national or educational aspect certain portions of the loss may be justifiable, but the extent to which the value of the experiment is commensurate with the cost would be difficult to determine. Indubitably, the major portion of the loss has been attributable to the absence of commercial acumen and effective administration, with the corollary of laissez faire and national waste.

Strike of Berlin ashmen, which lasted over six weeks during which no garbage was removed from the houses, has been settled by granting the demands of the men for 850 marks per week. With tips this will bring their income up to about 100,000 marks a year.

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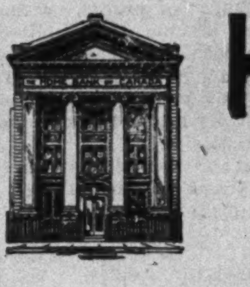

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MARKET HAS BEEN GENERALLY QUIET THROUGHOUT WEEK

Unusually Close Bidding for Bond Issues Indicates Scarcity

MONEY TO BE EASIER

Mining Exchanges Experience Greatly Decreased Trading—Gold Stocks Suffer Profit-taking

There was a considerable number of comparatively small bond issues from county and county towns placed on the market during the past week and they were particularly interesting for the close bidding manifested from the large number of houses making quotations. The variation in prices between the highest and lowest bid was an unusually narrow one. This close bidding reflects the great scarcity of attractive bonds. The fact that these bonds sold at par is an indication of the impending cheaper money.

Lower money rates seem bound to come, with higher prices for good securities and lower yields. A year ago it was possible to obtain a good industrial bond on a 7 per cent. basis, today they sell to yield 6¼ per cent. and the yield basis a year hence will probably be lower still. Lower yields for bonds should mean a greater demand for industrial stocks at resulting higher prices.

Industrials Quiet

Among the industrial stocks, the pulp and papers are continuing to come to front in popularity. Many of the mills are operating to capacity with a large volume of orders on hand for immediate delivery. Tractions and rails were also popular, with reports of improved earnings from several.

On the mining exchange there was greatly decreased trading after the activity of the past few weeks. Most of the buying is now coming from the north, the mining men say. There was unusually heavy profit-taking but in spite of that the stocks suffered only minor reactions and the market at the present time appears to be much better consolidated.

English Interest in Our Mines

In connection with the increased interest in the gold stocks it is interesting to note the view of the London Stock Exchange Gazette in commenting on the annual report of the Hollinger mine, under the heading of "Canada's Biggest Gold Mine." It describes it as, "This out-of-the-way Canadian mine—" It also adds that Canada has long complained that it cannot secure capital in England for its mining industry. "The reason is that in the earlier days of discoveries in Ontario, the Canadian and American controllers of companies kept the mines of promise themselves and offered shares of companies with watered capital or of dubious value in London. Such conduct has choked off British speculative investment in what is likely to be a rich gold field of large extent."

BARCELONA TRACTION

Gross earnings of the Barcelona Traction, Light and Power Company for the month of February amounted to 3,417,663 pesetas, as compared with 3,354,062 pesetas for the same month in 1921, an increase of 63,601 pesetas. Operating expenses at 1,074,123 pesetas, were higher by 80,216, while net earnings at 2,343,540 pesetas were smaller than for any month since October last. As compared with the returns for February last year the net shows a decrease of 16,615 pesetas.

MINING STOCK QUOTATIONS

Week Ending April 4

	High	Low	Close	Sales
Adanac	1½	1	1½	16,200
Apex	3¼	2½	3	41,500
Atlas	23½	20	23	59,000
Bailey	2½	2¼	2¼	6,500
Beaver	36	31¾	34	51,500
Chamb. Fer	3¼	....	....	2,000
Coniagas	1.25	1.20	1.25	483
C. Smelt.	20¼	19½	20	440
C, Reserve	21	20	20	6,700
Castle T.	24¾	18	24½	49,500
D. Lake	12½	8	12½	71,000
D. Mines.	28.25	26.25	27.25	1,850
Gifford	⅝	....	....	10,500
Gold Reef	3½	3	3½	36,500
Hillcrest com.	59	....	....	30
Hollinger	9.70	9.40	9.70	5,900
Hunton	10½	9¼	9½	82,000
Inspiration	7½	6	6	6,000
Keora	15½	14	14½	58,000
Kirk. Lake	47	43	46½	27,000
La Rose	42	35	36	13,100
L. Shore	2.50	2.03	2.28	50,700
McK. Darr.	23	21	23	41,000
McIntyre.	21.25	18.50	19.30	17,355
Mining Corp.	1.10	1.02	1.10	2,000
Moneta	16	12½	15½	38,500
Newray	16	10	13½	14,000
Nipissing	6.60	6.25	6.25	650
Ophir	4¼	3	3	32,000
Peterson L.	6	4⅝	5	23,500
Porc. Crown.	29	25	29	27,500
Porc. Tisdale	2½	....	....	5,000
Thomp. Krist	6	5	6	24,000
Prest. E. D.	7¾	7¼	7½	29,500
Schumacher.	58	49	55½	41,000
Silver L.	1	....	....	1,000
T. Hughes	57	46½	53	191,500
Timiskaming	36	35	36	1,500
Thomp. Krist.	6	6	6	24,000
Trethewey.	4	3½	4	14,100
W. Dome	14	10	13½	138,000
W Tree	5½	5	5½	11,000
Baldwin	3	....	....	100
Hattie	21	16¼	21	48,000
Boston Cr.	8	....	....	100
S. Keora.	37	35	36¼	15,500
Wasapika	6½	5¾	6	16,000
Wr. Harg.	2.95	2.40	2.95	200

MARITIME FISHERIES

A Marked Revival of Activity is Now Noted

From Our Own Correspondent

Halifax.—A marked revival of activity has taken place in the fishing industry of the Maritime provinces, and the number of vessels going to the deep sea fisheries this spring is larger than in any year since the war. The fortunes of the fishing fleets will be followed with more than usual interest this year, for good catches will materially help to improve general business conditions in the Maritimes.

Last year, owing to curtailments of operations, the catch was small, and at present the merchants have little salt fish in stock. One effect of this has been to enable the fresh fish industry to enlarge its operations recently. Another effect has been to enable merchants who held on to their salt stocks, to command an increase in price—an unusual thing in the late winter or early spring.

ST. MAURICE PAPER HAS LOWER EARNINGS

Losses in Inventories Cut Down Profits Considerably—New Bank Loan

From Our Own Correspondent

MONTREAL.—The annual statement of the St. Maurice Paper Company for the year 1921 shows a heavy decline in operating profits of about two-thirds that of 1920, the totals comparing as $1,046,679 to $2,976,636. This company like all the pulp and paper mills experienced a serious drop in the price of its pulpwood and this resulted in the profits and forced the company in addition to call on its reserves for the most of an inventory write-off amounting to $703,241. This left the profit and loss balance to carry forward into the 1922 at $617,946 where one year before there had been brought forward $1,246,451. Had the regular dividend been maintained the balance of profits, without taking into account the write-off, would have been insufficient to meet the dividend requirements. The statement thus indicates the reason why the dividend was reduced from 8 to 6 per cent.

The profit and loss account for the past three years compares thus:

Profit and Loss Account

	1921	1920
Op. profit	$1,046,679	$2,976,636
Depreciation, etc.	339,951	363,295
Contingent	......	800,000
Interest	......	43,352
Net profit	$ 706,728	$1,769,989
Prev. surplus	1,246,451	1,778,139
Balance	$1,953,179	$3,548,128
Dividends	631,992	788,777
Stock divid.	......	1,512,900
	$1,321,187	$1,246,451 d
Invent write off.	703,241	.....

Working Capital

Current Assets—	1921	1920
Inventories	3,025,188	2,863,689
Logging op.	212,987	......
Receivables	315,407	559,305
Cash	100,343	107,235
Govt. bonds	......	56,050
	$3,653,925	$3,586,280
Current Liab.—	**1921**	**1920**
Bank loan	1,350,000	......
Payables	646,248	277,390
	$1,996,248	$ 277,390

C.P.R. Debentures Sold on Better Basis Than N. Y. C.

From Our Own Correspondent

MONTREAL. — A railway issue that is of interest to Canadians from a comparative standpoint was offered this week in New York by a syndicate headed by J. P. Morgan & Co., $60,000,000 of New York Central Railway Co., refunding and improvement mortgage 5 per cent. gold bonds. These are dated October 1, 1921, and mature in 92 years, that is on October 1, 2011. Probably the nearest approach to the issue of $25,000,000 of Canadian Pacific Railway 4 per cent. consolidated debenture stock (perpetual) which has been made in the United States, and it is noteworthy that the C. P. R. issue, distributed by the National City Co.. in the United States, was sold on a 5.13 per cent. basis as compared with a 5.30 basis for the New York Central bonds. A further issue of $2,000,000 of the C. P. R. debentures has been disposed of since the beginning of the present year. The relative success of the C. P. R. issue stands out all the more as the form of debenture was comparatively unfamiliar to the United States investor.

BRAZILIAN TRACTION

The gross earnings of the Brazilian Traction, Light and Power Company, for the month of February amounted to 14,473,00 milreis, which is an increase of 2,532,000 milreis over the same month in 1921. Operating expenses amounting to 6,113,000 milreis were lower by 149,000 milreis. Net for the month at 8,360,000 milreis showed an increase of 2,681,000 milreis.

The aggregate gross for the first two months of the year amounted to 29,505,000 milreis, an increase of 4,689,000 milreis, while the aggregate net at 17,156,000 milreis, showed an increase of 5,260,000 milreis. The company states in the report that the increased revenue is to a large extent due to the fact that the revenue from some of the services is payable in whole or in part on a gold basis, and therefore larger receipts in milreis are shown in consequence of the decline in Brazilian exchange.

AMES, HOLDEN CO. TO RE-ORGANIZE

Payment of Bond Interest Delayed—All Companies May Be Amalgamated

From Our Own Correspondent

MONTREAL.—Heavy losses in the boot and shoe business of Ames, Holden McCready during 1921 have forced the company to delay payment of a bond interest due on April 1 and the directors met on Wednesday of this week to consider some plan for re-organization. It will be necessary to raise some working capital and an issue of bonds may have to be made ahead of those outstanding. One suggestion is to re-organize the company by combining with the regular boot and shoe business the assets and business of the subsidiary companies such as the tire, rubber footwear, canvass footwear and felt. These companies have been doing well during the past year and their common stock is controlled by the parent company. The interest due is on the first mortgage bonds of $1,333,667 bearing 6 per cent. interest. Last year an issue of $2,000,000 of 7 per cent. second refunding mortgage bonds was made to retire a second mortgage 5-year debenture and to provide working capital. The news of the coming re-organization caused a decline in the preferred stock this week.

MEXICO RED LAWS MENACE TO TRADE AND INVESTMENT

(Continued from page 1)

sions to visit and examine conditions in Mexico for international trade for themselves. From the time the visitors cross the border, their treatment has been regal—almost free transportation, quarters at the best of houses and the best of hotels, a hospitality for which Mexico is famous and without a peer. Free drinks have been part of this hospitality; and I grieve to relate some of the guests have distinguished themselves and disgraced their own country by coming away with as many as twenty-six bottles of Mexican drinkables stored in their suit cases, which they stole from their hosts, some of which was caught on the American Border, some of which was not, but all of which caused a blush of shame to the other visiting Americans. If you want a full account of this, read Wallace Thompson's last book on Mexican Trade. Mr. Thompson was consul in Monterey for years and is one of the fairest writers on both sides of the Mexican controversy, who has yet come into print. He shows the mistakes of the American operators in compromising with theft to save their shareholders, and the tragedies of the Mexicans, who woo foreign investment with one hand, and outlaw it with the other. It is a book every excursionist should have in his pocket.

To go back to the excursions, are they a good thing for Canada to go in on?

A Good Thing But—

They are, indeed, always remembering that until formal recognition be accorded the Mexican Government, credits are not only risky. They are utterly worthless. Mexico is today importing food products at the rate of a million dollars a month, the most of them tax-free; she will have to continue doing that for ten years. She is paying prices that Canadian farmers could cut in half, and then receive double the price Canadian farmers are now receiving. If the present Mexican Government smashes—and with all its Red faults, it is the best since the days of Diaz—there is not the slightest doubt the big powers will intervene and forcibly pacify Mexico. If the Red laws stand as they are now in Mexico, Mexico cannot help but smash; for 60 to 70 per cent. of her revenues will be off by 1923. If the Reds change their laws, so foreign capital can go in, Mexico is due for a boom to all investors; and the best thing that Canadian exporters can do is to go in and size the future up for themselves.

Let The Seller Beware

One of the biggest export firms in Canada—as again and again urged by the Post—is putting a steamship on from Montreal and Halifax to Mexican ports, to handle all general Canadian exports. Other export firms are repeating the mistakes of twenty years ago, which cost Canadian investors in Mexico such loss—sending in men, who do not speak Spanish, or who represent American and English export firms, or worse than that, who are affiliated with certain Mexican factions and by that affiliation will be subjected to antagonism from the other factions. I could give cases of all this; but it is private business, not public; and until the Mexican Government is recognized, the watch-word should be —not only "Let the buyer beware," but "Let the seller beware."

The authorities from whom to get facts on Mexico are not the Mexican escorts of the excursionists. They are the Mexican buyers of what Canada has to sell. Go in by all means; but once in, cut lose from professional shunting escorts, look at the ruined rails, the dismantled theatres, the half-built palace, the beggars sleeping in the back streets at four in the morning; and find out how soon and how the Mexican Government is going to remove the causes of this visible slip-back from civilization.

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Bonds

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To Yield

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In these days of declining interest rates, it is unusual to see a high grade industrial bond returning such a high rate of interest.

The 8% First and General Mortgage Sinking Fund Gold Bonds of the

Imperial Steel Corporation Limited

are one of the best industrial bonds offered in the Canadian market. They are backed by ample assets, earning power and an established going business.

Send for circular 111.

CONTINENTAL BOND CORP. LIMITED

120 Bay Street, Toronto

The Development of the Steel Industry

OVER 4,000 years before Christ, a savage, crouched before his cave-fire, gazing intently into the glowing coals, was attracted by a peculiar hard, black substance, which the blaze could not consume. He pulled it from the fire, and history records its first knowledge of iron.

Chance had led this savage to build his fire over a piece of ore, and the wood having burned to a charcoal, it fused with the ore under the intense heat and produced a lump of iron.

Down through the centuries came this metal. History shows us that the early Assyrians and Egyptians beat this metal into implements and knives, proof of which has been taken from ruins dating about 1,370 B.C. When the Roman Empire was at its height, the use of iron became universal throughout Europe.

Various methods prevailed in different countries until 1350 A.D., when cast iron and iron and steel, somewhat as we know them to-day, began to make their appearance.

So, generation after generation, the development and refinement of steel has occupied the thought and directed the experiments of engineers and scientists, until to-day steel is a product of exact qualities and with a wide and ever-increasing range of adaptability.

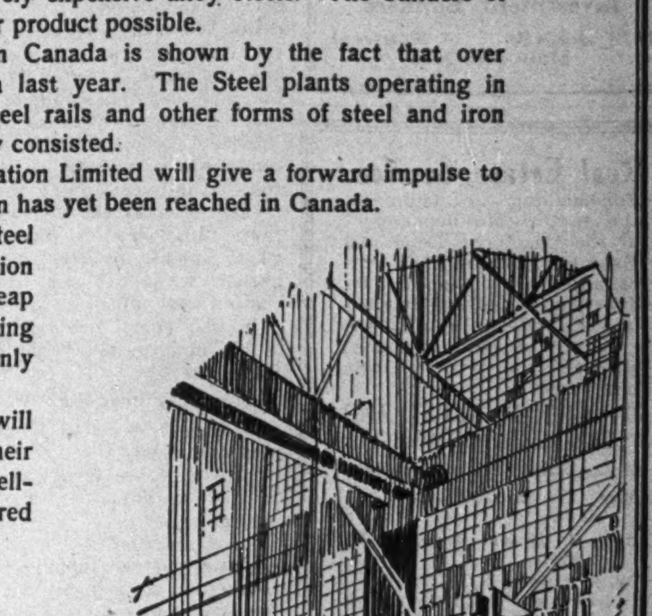
With the universal recognition of the use of steel, commerce demanded finer, harder, and higher grades of steel, having greater strength and longer life under heavy stress or strain. Thus came into being the Alloy Steel Industry. While the initial cost of alloy steel is higher, the uniform quality, lightness of weight, greater strength and wearing qualities, have made it possible for the lowest priced automobile in the world to-day to use the highest percentage of relatively expensive alloy steels. The builders of this car acknowledge that the use of alloy steels made their product possible.

The need for a plant to manufacture alloy steel in Canada is shown by the fact that over 100,000 tons of alloy steel were imported into Canada last year. The Steel plants operating in Canada to-day are largely confined to the production of steel rails and other forms of steel and iron products of which the commerce of this country has largely consisted.

The formation of the Dominion Alloy Steel Corporation Limited will give a forward impulse to the industry and carry it to a higher stage of perfection than has yet been reached in Canada.

The company will erect at Sarnia, a modern Alloy Steel Mill, having a capacity of 50,000 tons. The strategic location is ideal, affording cheap transportation for materials and cheap hydro electric power, which is a prime necessity, it having been found that these steels attain their highest perfection only through the electric furnace.

The Dominion Alloy Steel Corporation Limited will have on its Board of Management men who have spent their life perfecting and manufacturing alloy steel, and other well-known and prominent men. Thus the company is assured of the best practical brains possible to secure.



A descriptive circular giving complete information regarding the above Industry will be mailed upon request.

Dominion Bond and Debenture Corporation

— Limited —

INVESTMENT BANKERS

Royal Bank Building . . . TORONTO

EUROPEAN PAPER COMPETITION NO LONGER FEARED

Sweden Can Meet the Market But Has Small Supply

NOT AGGRESSIVE

Both Government and Home Consumers Likely to Oppose Any Policy of Shipping Supplies to States

From Our Own Correspondent

NEW YORK.—Cutthroat overseas competition in the American newsprint market is at an end, your correspondent was told today by the local representative of one of the largest Swedish pulp and paper organizations. Swedish newsprint, he told me, had never sold in this market at abnormally low prices. Unlike Germany, Sweden has never been in a position to cut far below the American prices. The cost of manufacturing newsprint and pulp in Sweden has been fairly stable and the Swedish currency has fallen much below the values of the pre-war period. Prices based upon a depreciated currency have therefore been impossible of attainment by the Swedish paper manufacturers.

"But while we Swedish newsprint manufacturers have never been able to cut under American and Canadian prices to the same extent as the Germans, we still can sell in the United States somewhat below the American prices," your correspondent was told. "And I believe we shall continue to do so. Our costs of manufacture are lower than they are in the United States and the freight rates between Swedish ports and points on the Eastern and Western American coasts are so low that the factor of freight charges is not sufficient to offset our lower costs."

Swedish manufacturers are today in a position to undersell American newsprint manufacturers even on the Pacific coast, this man told your correspondent.

It was cheaper, he said, to ship newsprint from Stockholm to San Francisco, than it was to ship it from Vancouver to San Francisco. This fact was permitting Swedish manufacturers to compete on the Pacific coast with Canadian manufacturers such as the Whelan Pulp and Paper Company.

Supply is Small

"But while we can undersell American and Canadian manufacturers of both pulp and paper slightly, our influence on the American market is somewhat limited, by reason of the relatively small amount of pulp and paper we are in a position to export. Swedish production is so small, as compared with Canadian production, for instance, that we cannot hope to compete so far as volume is concerned, with even Canada in the American market."

My informant did not look for the continuance of unfair competition on the part of the German newsprint manufacturers in the American market. Such competition of this type as had occurred in the recent past, was the result more of special conditions, than it was of any especially favorable position of the German paper industry. As a result of the various reparations agreements, the German Government was in need of credits in foreign countries, particularly in the United States. These credits had to be built up by drastic means. The German newsprint manufacturers had done their part in building up these foreign credits, by selling abroad newsprint which they needed at home. In this they had been helped by foreign exchange situation. By taking advantage of Government subsidies, a depreciated currency and by depriving German newspapers of newsprint they needed in the worst way, the German manufacturers developed an apparently large market for their product in the United States.

HARPER, MOUNT & CO.

MONTREAL.—A new "up-town" brokerage firm has been organized here, Harper, Mount & Co., wro will deal in bonds, unlisted securities and mining stocks. The firm have a private wire to Toronto to facilitate mining orders.

Mr. Harper has had an extensive experience in the exchange business in London and Liverpool, and in the bond business in New York and Boston. During the war he served with the Imperial Army in Mesopotamia. Mr. Mount was for ten years with the City & Districts Savings Bank of Montreal.

DULUTH-SUPERIOR

The February statement of earnings of the Duluth-Superior Traction Company shows gross amounting to $127,546, as compared with $141,344 for the same month in 1921, a decrease of $13,798, or 9.76 per cent. Operating expenses amounted to $120,807, while net earnings at $6,739 showed a falling off of $13,809, or 67.20 per cent. Gross for the two months amounting to $276,353 showed a decline of $22,094, and net amounting to $28,686 was lower by $14,573.

DECREASED INCOME GOULDS COMPANY

New Business Fell Off 40 Per Cent.—Wrote Down Their Inventories

A very difficult year was experienced by the Goulds Manufacturing Co., of Seneca Falls, New Jersey, in 1921. New business fell off nearly 40 per cent. Two general salary and wage cuts were made and the working force was reduced by half in an effort to cut down expenses.

The book value of the inventories reached its highest point in March 1921, namely $2,354,137 and as the statement shows that at the end of 1921, it had been written down to $1,373,246. This was accomplished by actually reducing the amount of material and completed products by $736,359 and the balance of $244,532 by writing down the values to market prices at the end of the year. The company was forced to defend itself against several actions brought against it for damages, but was able to defend itself successfully. The verdict was "no cause for action."

Total liquid assets amount to $2,208,880 as against $3,313,249 of the previous year. Current liabilities have decreased from $1,473,506 to $940,014 for the past year. Net liquid assets for 1921 and 1920 stand at $1,268,866 and $1,839,742 respectively. Total net liquid and other assets have decreased from $3,075,265 to the sum of $2,609,946 for the past year.

PORTO RICO RAILWAYS

The Porto Rico Railways Company reports a decrease in earnings for the month of February as compared with the same month in 1921. Gross for the month at $102,160, showed a decrease of $4.017, or 3.78 per cent., and net amounting to $39,808 was lower by $2,036, or 4.86 per cent. Gross for the first two months of the year amounted to $212,306, a decrease of $10,601, or 4.75 per cent. Net at $88,913 showed a decrease of $5,587 or 5.97 per cent.

WESTINGHOUSE HAD SUCCESSFUL YEAR

Earnings Higher — Dividends Paid Amounted to $741,790, Including Bonus

The annual statement of the year's operations has been submitted to the shareholders of the Canadian Westinghouse Company, and shows earnings for the year amounting to $1,501,379. From this sum there has been written off $253,000 for general depreciation and a reserve of $157,000 created for the payment of Dominion taxes for 1921; leaving net profits of $1,091,379 as against $916,080 of 1920.

Dividends at the rate of 8 per cent. per annum and an extra dividend of 2 per cent. were declared. The dividends amounted to $741,790 leaving a balance of $349,589 to be carried forward to profit and loss, which account showed a surplus of $2,464,418 exclusive of all reserves, as compared with $2,114,828 on December 31, 1920.

President H. H. Westinghouse, in his report, points out that the results for the year, have, as foreshadowed by last year's statement, been materially aided by the large amount of orders placed on the books in the previous year, for delivery during 1921, the billing of shipments having totalled even larger than in 1920. Naturally these orders comprised mainly apparatus of considerable size, and conspicuous among them were the Hydro-Electric generators, each of 60,000 horse power capacity. The manufacture of electric ranges was undertaken during the year.

Gross earnings of the Canadian Pacific Railway, for the ten days ending March 31, amounting to $4,342,000, showed a decrease of $482,000, or 9.9 per cent. as compared with the corresponding period in 1921.

The Canadian National shows earnings amounting to $3,244,563, a decrease of $155,392, or 4.5 per cent.

Earnings of the Grand Trunk totalled $2,556,578, a decrease of $3,052.

STOCK MOVEMENTS OF THE WEEK

Week Ending April 4.

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	189⅞	189¼	192	189⅞	189⅞	51
Dominion	12	182	181	182	181	182	135
Hamilton	12	164	....	165	164	164	104
Hochelaga	10	147	....	147	147	147	13
Imperial	12	170⅞	170	171	170	170⅞	149
Molsons	12	164	162	162	165	162	8
Montreal	12	....	218	220	220	220	252
Nationale	12	....	100	103	100	100	18
Nova Scotia	16	....	255	257	256	257	69
Royal	12	....	196	196½	195	196	176
Standard	14	....	201	202	201	202	11
Toronto	12	181	181	181	180	181	44
Union	10	137½	137	137½	136¼	137¼	171
Industrials, Utilities, Etc.—							
Abitibi Pulp and Paper com	7	44¾	44¼	44¾	39½	44¾	6610
Ames Holden pref.	..	....	....	17½	12	12	331
Amer Salesbook com.	..	16	15	13½	13½	13½	2
Asbestos Corp. com.	6	57	56¾	58½	56	56¼	545
Do pref.	7	78½	....	78	77½	77½	56
Atlantic Sugar com.	..	23½	23	24¾	23	23½	3666
Barcelona Traction	..	6⅜	6⅛	6¼	5⅞	6⅛	1542
Bell Telephone	8	106¼	105¼	107¼	105½	105¾	748
Brazilian Traction	..	38½	38⅛	37	36	38	7441
B. C. Fishing	..	31	29	31	26⅝	30	125
Brit. Empire Steel com.	..	9	8½	9	8	9	146
Do first preferred	7	65	62	65¼	61½	65¼	330
Do second preferred	..	22	20½	22½	20	22¼	318
Brompton Pulp	..	24	23⅞	24¾	22	24¾	4655
Burt, F. N. com.	10	116	114½	115	110½	115	349
Do pref.	7	....	114½	115	114¼	115	15
Canada Bread com.	..	27	26	26½	26	26½	90
Can. Car and Foundry com	..	22⅛	22	24½	22	24	330
Do pref.	..	50	....	49	47	49	235
Canada Cement com	6	58½	58	60	58	58½	425
Do pref.	7	....	90	92	91	91	116
Canada Steamships com.	..	....	16	17½	15½	16½	1015
Do pref.	..	45	44¼	46	42	44¾	2126
Canada Converters	7	78¾	78	79	75	79	110
Can. Cottons com.	8	82¾	81	83	81	83	30
Do pref.	6	....	78	79	79	79	27
Can. Gen. Electric com	8	90	89	92	85	89	3170
Do pref.	7	98	....	100½	97	98	232
Can. Locomotive pref.	7	84	....	83	82	83	10
Canadian Pacific Railway	10	142	141¾	142¼	140	142	563
Canadian Salt	8	75	....	74	74	74	5
City Dairy com.	10	....	111½	112½	100	112	477
Do pref	7	....	93	94	94	94	15
Consumers' Gas	10	....	150	152	150	150	21
Detroit United Railway	..	63	62½	66½	62¼	62½	736
Dominion Bridge	4	70⅝	70½	71	65	70¾	526
Dominion Canners com.	..	33	32	33	30	32½	1440
Do pref	7	78	....	78	73½	78	44
Dominion Glass com.	6	64	63	64	62	62½	657
Do pref.	7	....	91	92	91	92	55
Dominion Textiles com.	12	139	138⅞	139¼	138	139¼	211
Do pref.	7	....	106	106	106	106	5
Dominion Coal pref.	7	72	67	67	67	67	3
Dominion Iron pref.	7	....	60	60	60	60	60
Dominion Steel Corp. com.	..	25	23	23½	23½	23½	80
Do pref.	6	....	70	70	70	70	46
Howard Smith com.	6	66	65	66	64½	65	380
Do pref.	8	....	88	88½	88	88½	68
Illinois Traction com.	..	....	30	30	29¼	30	306
Do pref.	6	....	77½	77½	77½	77½	10
Lake of Woods com.	12	160¾	160	162	149¾	161	344
Laurentide Paper	6	82¾	82	83½	82½	83½	818
Lyall Construction	4	....	28	30	27	28	589
Macdonald A.	..	14	13½	14	12	14	723
Mackay com.	6	87	86¾	87	84½	87	1622
Do pref.	4	64½	63½	65¼	64¼	64½	16
Maple Leaf Milling com	12	....	134	136½	131¾	134	246
Do pref.	7	....	98	100	100	100	97
Montreal Cottons com	6	....	82	82	82	82	17
Montreal Light, Heat and P Cons.	5	87¾	87¼	89½	87¾	88	1415
Montreal Trams.	10	....	....	145½	145	145	99
National Breweries com.	4	56¾	56½	58¼	56⅛	57½	2147
Ogilvie Flour com.	12	225	....	225	205	225	133
Do pref.	7	....	108	109¼	108¾	108¾	14
Ont. Steel Products com.	4	....	40	42¼	40	42¼	160
Ottawa L. H. and Power	6	....	81	82	81	81½	180
Penmans com.	8	102	99	101½	101½	101½	10
Do pref.	6	....	87	88	88	88	20
Porto Rico Railways com.	4	30	25	25	25	25	5
Price Bros.	2	37⅞	37½	38⅛	37	38	1890
Quebec Railway	..	....	24	25⅛	21½	23¼	10398
Riordon Pulp com.	..	9	8	9	7½	9	1621
Do pref.	..	13	....	13	13	13	70
Shawinigan	7	105	103½	104	103½	103½	200
Sherwin-Williams pref.	7	93½	92¼	94	93	93½	41
Spanish River Pulp com.	7	71½	70	71⅝	70	71⅝	455
Do pref.	7	85	84½	85	84½	85	1129
Steel of Canada com.	7	67	66½	67	65	66¾	4402
Do pref.	7	....	94	96½	93½	94½	85
St. Lawrence Flour com.		81⅛	81	84	77	83¼	1680
Toronto Railway	..	62½	62	62¼	60¾	62¼	1335
Tuckett Tobacco com.	4	39	35	35¼	35¼	35¼	65
Do pref.	7	81	79	81	80¾	81	10
Twin City com.	..	46	45¾	46½	45	45¾	1304
Wabasso Cotton	4	61	60	60	58½	60	185
Wayagamack	..	50	....	50	49½	49½	21
Western Can Flour	8	....	115	115	115	115	5
Winnipeg Electric	..	36	35	36¼	35	35¼	413
Windsor Hotel	..	....	....	125	125	125	24
Canada Landed	10	....	75½	75⅝	75⅝	75⅝	10
Canada Permanent	12	180	....	180	178	179½	78
Landed Banking	8	....	137	138	138	138	18
National Trust	12	203	199	199	199	199	8
Real Estate Loan	7	....	92	90	90	90	3
Imperial Life	15	....	95	93	93	93	5

A Will makes sure that your dependents receive the property you intend for them.

A Trust makes sure that they keep it.

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National Trust Company
Limited

Paid-up Capital and Reserve $4,000,000 | Assets under Administration over $102,000,000

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$600,000

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(In combined output the largest manufacturer and distributor in Canada of book, bond, writing and coated papers.)

6% First Mortgage Bonds

Dated May 1st, 1920. Due May 1st, 1940.

Principal and semi-annual interest payable at the Bank of Montreal, in Montreal, Toronto, or New York City, U.S.A., at the option of the holder. Redeemable at the option of the Company on any interest date at 105. Registerable as to principal only. $1,000 coupon bonds.

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Purpose of Issue

Additional mill building at Port Arthur, equipped with one 146" paper machine, and capacity one additional machine. This will save shipment of sulphite pulp to Eastern mills and re-shipment of paper to Western markets. The management estimate this saving will more than offset the interest on cost of additions. During 1921 paper mills operated 81%, sulphite pulp mill, 95% of capacity.

Security

Properties consist of mills at Mille Roches. Thorold, Georgetown and Port Arthur, comprising six paper machines, six coating machines and one Sulphite Pulp plant, the latter located at Port Arthur, having capacity of 60 tons daily.
Plant Assets valued at $5,300,000 and net quick assets as at Dec. 31st, 1921, over $1,700,000, making total assets of over $7,000,000 against $1,105,000 Bonds, including the present issue.

Earnings Record

Annual net earnings for five year period, 1917-21, inclusive, after depreciation and taxes, average, $596,924.16, over nine times interest charge on present funded debt including this issue without taking into account increased earnings from proceeds of this issue. Net earnings after depreciation and taxes in 1921 amounted to $551,394.77 against interest paid of $33,550.

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Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels

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We have been giving satisfactory service to savers since 1855

BRITISH EMPIRE PAYS ONLY UPON FIRST PREFERRED

No Dividends So Far on Second Preferred or on Common Stock

MOST ARE WORKING

U. S. Strike Has Had no Effect—President Wolvin Makes Vigorous Denial of Charges

From Our Own Correspondent

MONTREAL—The charge made in The House of Commons and used in connection with the labor dispute at Sydney that the British Empire Steel Corporation is paying dividends on $19,000,000 of watered stock is not borne out by the actual facts of the case. The question as to whether there is any "water" in the common stock of the British Empire Steel Corporation is not at issue just now, for the simple reason that it is not paying and has not paid a dividend during the year since it was organized. Nor is the second preferred, even, paying a dividend. The dividends that are being paid by the Corporation include only the first preferred stock which was given in exchange for the preferred stocks of the Dominion Steel Corporation, the Dominion Coal Co., the Dominion Iron & Steel Co., Nova Scotia Steel & Coal Co., Halifax Shipyards. The exchange of the preferred stocks was made at practically par for par, the 6 per cent. preferred of Dominion Steel being exchanged for the 7 per cent. first preferred of British Empire while Dominion Coal and Dominion Iron & Steel received the same dividend, 7 per cent., in the exchange. As a matter of fact a large portion of the preferred stocks were not exchanged for the British Empire preferred and in these cases old dividends are simply being maintained as they have been for years past.

The second preferred and the common stock of British Empire have been given in exchange for the three groups of common stock of the three companies entering the merger. Dominion Steel shareholders received 95 shares of second preferred and 40 shares of common for every 100 shares of Dominion Steel; Nova Scotia shareholders received 90 shares of preferred and 40 of common while Halifax Shipyards shareholders received 60 of preferred and 25 of common for each 100 shares they held. On December 31, 1921, the second preferred in the hands of the public reached $49,930,075 par value with $21,293,400 par value for the common shares. The second preferred at this date is selling around 22½ while the common is around 10 or 1-10 of the par value.

In dealing with the charge of "watered" stock the president of British Empire Steel Corporation, R. M. Wolvin, stated that instead of paying dividends on "$19,000,000 or more of water," as reported, the directors have been forced to forego the declaration of dividends on over $49,000,000 of second preference and $21,000,000 of common stock. He declared that as of December 31, 1921, the stocks of the British Empire Steel Corporation issued to the public were $15,692,095 in excess of the stocks of the three companies for which they were exchanged and went on; "Compare this increase with $25,124,711 the undivided surplus of the constituent companies."

The president added:

"As stated above, no shares have been issued for any purpose whatever except in exchange for shares of Constituent Companies, and no promotion profits were paid either in shares or cash.

"Outside of the large railways, the corporation disburses more money in payrolls than any other single industrial enterprise in the Dominion. As a source of employment and livelihood, and as a centre for investment of capital and development of national resources, the activities of the Corporation are of surpassing interest to the Dominion, and it is therefore desirable that unconsidered and inaccurate statements as to capitalization of the merged companies should not endanger the attracting of new capital, as will be the case if these assertions are so loosely and misleadingly circulated as they have recently been."

Course of the Negotiations

The negotiations between the Corporation and the men began first with a Royal Commission headed by Sir William Stavert. This expired on Nov. 30 last. Negotiations for a new agreement were begun at once, and at the request of the men the old agreement was extended to Dec. 31, 1921. A substantial cut in wages was announced in December by the Company to go into effect on the first of January. The men asked a Conciliation Board upon this, and one was appointed with U. E. Gillen as chairman. The award of this Board suggested a cut in wages but a smaller one than the company had proposed. This award was in turn refused. Then the Executive of the men came to Montreal in February and made an agreement which they promised to recommend to the men to accept. The secretary broke loose from this, however, on his return and the men voted down the proposed agreement by about seven to one, and the McLachlan proposal to "loaf on the job" followed. On Monday of this week the Dominion Government announced that the Gillen Board was again at the services of the parties.

The strike in the United States did not result in the calling out of the men in the mines at Sydney, as negotiations were in progress. In the main, the majority of the men are still at work although a few have been let out for "loafing."

QUEBEC RAILWAY IN THE LIMELIGHT

Rumor as to E. A. Robert Entering Field—Certain of "No Par Value" Stock

From Our Own Correspondent

MONTREAL.—Senator Lorne C. Webster, president of Quebec Railway, Light, Heat and Power Company, informed the FINANCIAL POST this week that sufficient proxies had been received already to make it certain that the proposed change in the stock from $100 par value shares to shares of no par value would be ratified by the shareholders at the special meeting to be held immediately after the annual meeting next week. Senator Webster would not discuss rumored changes in the control of the Company, with which the name of E. A. Robert, president of Montreal Tramways Company, has been associated, other than to state that he was quite ready to accept any offer that he thought would be to the advantage of the shareholders. The stock was the most active of any on the Exchange in the earlier part of the week and the bonds rose several points.

A dispatch from Quebec City stated that negotiations were in progress to induce Mr. Robert to accept the presidency of the Quebec Company and operate the railway there in addition to the Montreal system. There is no suggestion heard as to what arrangement might be entered into to bring about this change in control although indefinitely this is supposed to be connected with the big power deal that Mr. Robert is carrying out with the Carillon water power as the nucleus.

BONUS DIVIDEND ON NATIONAL CITY CO.

Extra 2 Per Cent. in Addition to Regular 2 Per Cent.—Bank Omits Bonus

From Our Own Correspondent

MONTREAL.—Canadian shareholders of the National City Bank of New York have received a circular from the president, C. E. Mitchell, in connection with dividend cheques covering the regular quarterly payment of 4 per cent. in the case of the bank, and in the case of the National City Co. the regular quarterly declaration of 2 per cent. with an extra 2 per cent. for the National City Co. stock. The National City Bank did not declare the extra dividend of 1 per cent. which has been customary for the last six quarters. The president states that while the earnings of the bank during the quarter were considerably in excess of the amount required to pay not only the regular but the extra dividend, in view of the lessening demand for money and consequent lower lending rates the board felt it would be wise to omit the extra. He adds that "the earnings of the National City Co. are substantial and there is every indication that they will continue to be sufficient to support its extra dividend." The present declarations establish a combined dividend payment of 20 per cent. per annum on the shares of the bank. In order to anticipate any losses the bank may incur through financial difficulties in commercial houses the bank has established a reserve for contingencies of $10,000,000 out of undivided profits. This reserve will be maintained at all times at not less than $5,000,000. An estimate is given of the value behind the 400,000 shares of the National City Bank as $90,000,000 from the bank itself, $8,500,000 additional equity in the International Banking Corporation, and $20,000,000 in the National City Co., a total of $118,500,000.

GENERAL MOTORS SALES

Results For First Quarter of 1922 Show Increase

P. S. Dupont, president of the General Motors Corporation, commenting on the general business outlook, says: "While it may be several weeks before the final sales of motor cars for the first quarter of 1922 will be available preliminary figures are most encouraging. Sales for January were 16,080; February 20,664 and the sales for March approximately 30,000 or a total of 66,000. This compares with 58,488 cars in the previous quarter and further with 40,023 cars for the first quarter of last year.

Erie and Western Maryland railroads show their determination not to be "exploited" by the roads by gladly working for outside contractors at less than half the wages they deemed insufficient when the railroads paid them.

My "Snug Harbor" Cigarette

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NAVY CUT
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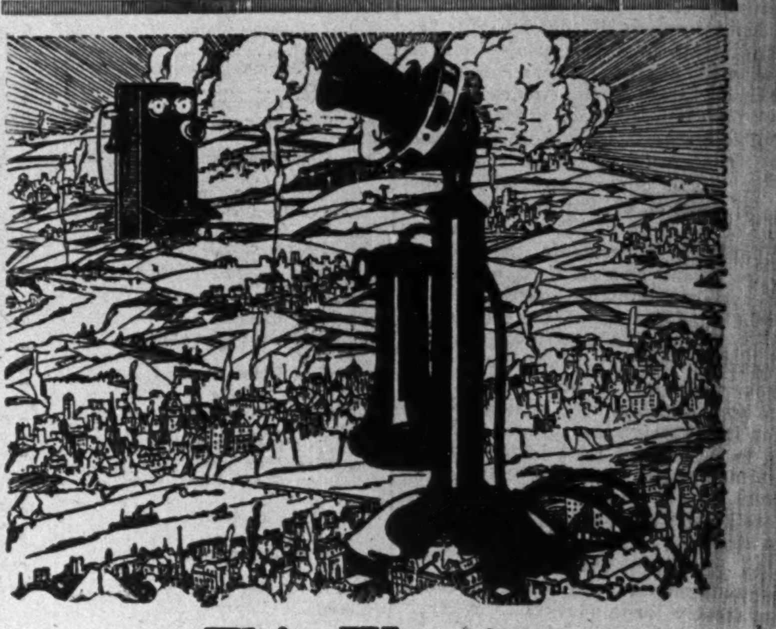

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THE BELL TELEPHONE COMPANY OF CANADA

NATIONAL RAILS HAD $21,000,000 LESS OF DEFICIT

One Comfort, If a Small One, In Year's Results

BETTER SHOWING

But Still Three Out of Four of the Transportation Group Did Not Pay Their Operating Expenses

From Our Political Correspondent

OTTAWA.—Figures compiled by the Dominion Bureau of Statistics covering the operating revenues and expenses of the railways of Canada for the year 1921 enable comparison to be made of the past two years of the Canadian National Railways, insofar as the meeting of operating costs is concerned. A detailed statement as to the amount expended for fixed charges, interest an guaranteed issues and capital account, must await the report of the Minister of Railways in the House. The figures as indicated some weeks ago in these columns, show a considerable improvement in 1921 over the previous year. In spite of this, however, there was a net deficit of $10,480,283 for the year. This on the other hand, was over $21,000,000 less than the deficit of $31,796,033 for the year 1920.

Of the four groups of railways operated by the Government the best showing was made by the Grand Trunk which was ahead $5,678,739 as compared with $5,228,832. With fixed charges, however met, the Grand Trunk also ran far behind in paying its way. All the other three groups showed actual operating deficits, the largest of these being $6,574,000 of the Canadian National Railways, that is the old Canadian Northern System. The Canadian Government Railways, that is chiefly the Intercolonial, were over $5,500,000 behind, but even this was $5,000,000 better than the previous year while the Canadian Northern was nearly $10,000,000 better. The Grand Trunk Pacific which in 1920 showed the very heavy loss of over $10,000,000, considering the size of the road, dropped down to just under $4,000,000 in 1921. The three roads between them showed a deficit of over $16,000,000 where one year ago the total had been over $37,000,000. Thus there was a very appreciable improvement in operating.

Considering the roads by themselves the ratio of operating expenses to revenue of the Grand Trunk was 92.61 or nearly 1 per cent. better than in 1920.

The Canadian Government Railways cost 113.64 per cent. to operate as against 123.46 the previous year. The Grand Trunk Pacific which ran over 170 per cent. of revenue in 1920, made a better showing with 124 per cent. for 1921. As against the Government roads the Bureau of Statistics quotes the Canadian Pacific Railway as having a ratio of 80.9 per cent. for 1921 and 83.8 per cent. for 1920.

In a comparison of the two years it should be noted that freight rates were increased in September 1920, and partly reduced in January 1921 and in December 1921. Passenger rates were increased in September 1920 and reduced in January and July 1921. Wages were increased from May 1st, 1920, and reduced about half this amount in July 1921. Hence freight rates and wages are still higher than during the early months of 1920.

The following tables show operating revenue and expenses and net revenue or deficits on the various roads with a summary covering surplus and deficits on the roads operated by the Canadian Government:

	1921	1920
Revenues	$40,964,303	$44,537,803
Expenses	46,551,602	54,987,680
Deficit	$5,587,298	$10,449,876
Ratio exp. to rev	113.64%	123.46%

Canadian National Railways

	1921	1920
Revenues	$67,403,439	$65,103,916
Expenses	73,977,675	81,544,392
Deficit . . .	$6,574,236	$16,440,476
Ratio exp. to rev..	109.75%	125.25%

Grand Trunk Railway

	1921	1920
Revenues	$76,858,032	$81,442,647
Expenses . . .	$71,179,292	76,213,815
Revenue . . .	$5,678,739	$5,228,382
Ratio exp. to rev.	92.61%	93.58%

Grand Trunk Pacific

	1921	1920
Revenue	$16,638,677	$14,408,549
Expenses . . .	20,636,166	24,543,063
Deficit	$3,997,488	$10,134,513
Ratio exp. ot rev.	124.03%	170.34%

Canadian Pacific Railway

	1921	1920
Revenue. . . .	$196,157,571	$221,415,002
Expenses . . .	158,681,751	185,624,935
Revenue . .	$37,475,819	$35,790,066
Ratio exp. to rev..	80.90%	83.82%

SUMMARY

Surplus on Operations

	1921	1920
G. T. R.	$5,678,739	$5,228,832
Deficits on Operations		
Gov't Rys.	$5,587,298	$10,449,876
Can. National ..	6,574,236	16,440,476
G. T. P.	3,997,488	10,134,513
Total deficits...	$16,159,022	$37,024,865
Surplus	5,678,739	5,228,832
Net deficit	$10,480,283	$31,796,033

Dividend on Preferred By English Electric

Declaration of the first dividend on the preferred stock at rate of 8 per cent. per annum, has been made by the directors of the English Electric Company of Canada. This is in the nature of an adjusting dividend to the period of March 31, and the disbursement to stockholders, therefore, varies according to the length of time the stock has been held. This company was organized in August last year, operations were commenced in the fall, in the plant of the Canadian Crocker-Wheeler Company at St. Catherines, which the English Electric took over.

DOME MINES PROFIT FOR NINE MONTHS

Dividends Were $357,500 and Surplus After Dividends $166,763

A statement of the Dome Mines Co., Ltd., for the eleven months ended February 28, 1922, as submitted to the New York Stock Exchange, shows net profits of $524,263 after charges, taxes and depreciation are paid. The general profit and loss statement is as follows:

Operating earnings	$1,016,104
Other income	128,554
Total income	$1,144,658
Reserve for taxes	50,007
Reserve for depreciation	570,388
Net profits	$524,263
Dividends	357,500
Surplus	166,763
Profit and loss	254,254

The general balance sheet is shown as follows:

Assets: Property $5,358,626, government bonds $239,250, other bonds $854,848, loans on call $775,000, other loans $23,282, other investments $35,000, accounts and interest receivable $25,449, inventories $256,526, bullion en route $100,678, prepaid insurance and taxes $11,859, mine development undistributed $87,226, prepayments, etc., $4,188, cash $84,654; total, $7,856,585.

Liabilities: Capital stock $4,766,670, accounts payable and tax reserves $173,762, dividends payable $6,446, reserves for depreciation and exhaustion $2,614,513, reserves for operating equalization $40,840, surplus $254,254; total, $7,856,585.

INTERNATIONAL HARVESTER HARD HIT

Sales Were Only a Little Better Than Half Those of Previous Year

The annual statement of the International Harvester Company for the year ending December 31, 1921, shows net earnings of $4.149,919 after all charges are settled, and at this figure were far short of dividend requirements. This total is in comparison with $16,655,353, the earnings for 1920. Gross sales at $121,215,000 were 54 per cent. of 1920. at $225,000,000. In common with other farm machinery companies, the past year was the worst ever experienced. The rapid and severe decline during that period in the price of practically all farm products greatly diminished the purchasing power of the farmer and had a depressing effect upon the implement business, which is dependent for its success upon the prosperity of its ultimate consumer—the farmer.

President Harold F. McCormick, in his remarks to stockholders, in the annual statement, says in part:

"In April last a general reduction in wages and salaries was made effective, and a second reduction was made in December. During the peak of high prices the average hourly rates were 50 per cent. over the average hourly rates in effect in 1915. The present wage scale is approximately 75 per cent. over 1915.

"The directors face the future with confidence. The agricultural implement industry is a basic one, and so long as agriculture lives there will be a need and call for labor-saving agricultural machines. It is felt, however, that the period of readjustment will continue throughout 1922 and that the company cannot expect any very marked improvement in its business during the year."

Directors of Dominion Tar Give Statement

Directors of the Dominion Tar and Chemical Company issued a statement to its shareholders in London recently. This company is practically owned in England and several subsidiary companies operating in Canada at the present time. There are tar distilleries at Sydney, Cape Breton, Montreal and at Sault Ste. Marie: also oil storage tanks on the St. Lawrence, and a timber preservation plant near Winnipeg. An amalgamation has been effected with the Canada Creosoting Company and contracts secured with the Grand trunk and the Canadian Pacific Railways.

The company has a good dividend record extending back to 1908, and its recent distributions were 11 per cent. in 1919 with a bonus of 50 per cent. in shares, 17½ p.c. for 1920 and 12½ p.c. for 1921.

Of 41.392 motor cars exported from United States in 1921, Latin-American countries took 33.1 per cent., British North America 15.4 per cent., Asiatic countries 14.5 per cent., Europe 13.1 per cent., Oceania 11.1 per cent., non-contiguous territory of the States, 8.8 per cent., and Africa 3.7 per cent.

ABITIBI MILLS RUN TO CAPACITY

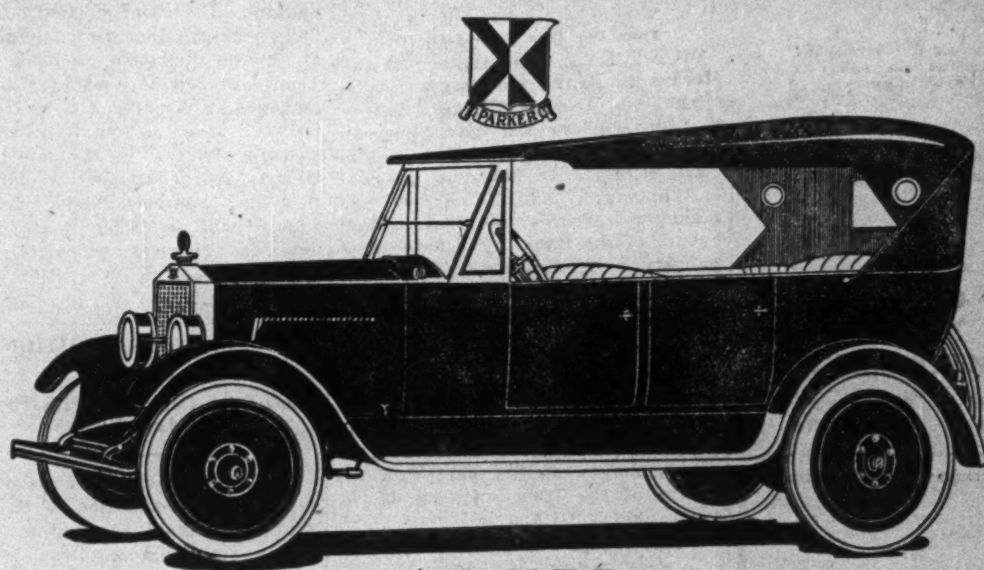
Encouraging Reports at Annual Meeting—Wrapping Machine at Work

From Our Own Correspondent

MONTREAL. — At the annual meeting of the Abitibi Power and Paper Co., this week, encouraging statements were made by the president, F. H. Anson. During the month of March the mills had produced 12,200 tons of newsprint and shipped 13,000 tons and it was expected that the company would show a production for the year of about 150,000 tons, which is a very marked advance over the total of 1921 which was 86,000 tons. In addition to the production of newsprint a new wrapping paper machine has just started operations. This will produce about 30 tons a day, half of which is required for the newsprint, and the balance will be sold.

In answer to a question as to whether the company anticipated increasing the present output beyond about 500 tons a day, Mr. Anson declared that it was about time the company took a rest in the way of construction, and he thought the shareholders also would be looking for some return rather than to go into further expenditures. He himself was a very large shareholder, but when the dividends were resumed it would be with the feeling that they could be continued permanently. The production of the company, he said, was well within the supply of wood, which should last between 50 and 60 years, and the amount of power available. In addition to its newsprint the company could produce a surplus of 200 tons of pulp daily whenever there was a demand.

In dealing with an inquiry as to the working capital of the company Mr. Anson stated that this was to some extent a matter of opinion. There was, for intance, the item of $986,000 as liabilities to contractors. This was spread over the greater part of the present year and could be taken as a current liability or not. He confirmed the explanation given in THE FINANCIAL POST two weeks ago in an analysis of the annual report, that the difference between the $2,170,000 set aside as a reserve for depreciation in the wood pile and the sum of $1,500,000 appearing in the balance sheet, represented the amount written off for the wood consumed during the year 1921.



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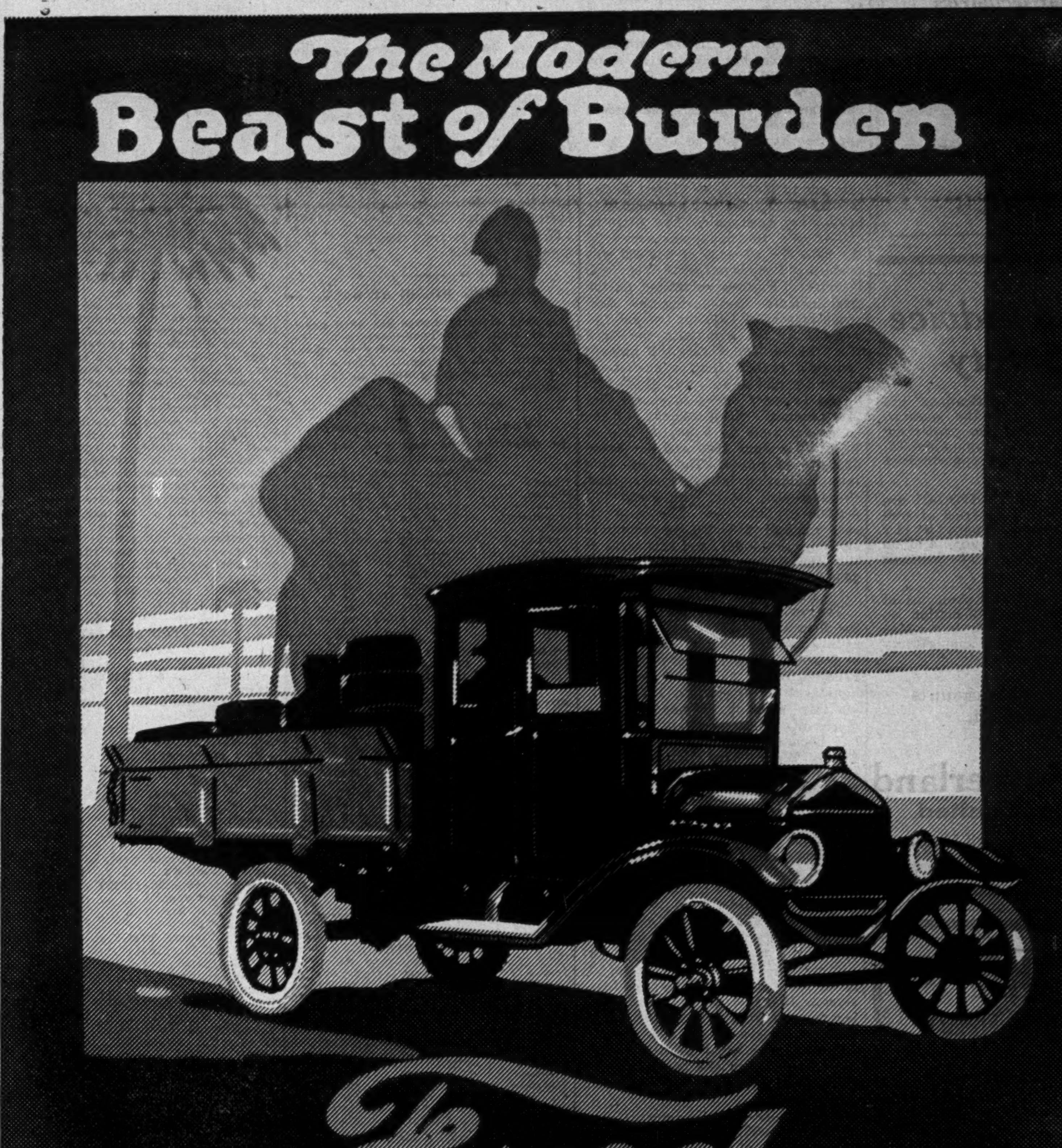

MONEY BANKING AND EXCHANGE

SHOULD MACAROW OR KIPPEN TAKE RESPONSIBILITY?

Point Which Seems Likely to Develop in Merchants Inquiry

From Our Own Correspondent

MONTREAL.—One feature of the Merchants Bank case that was prominent in the proceedings before the shareholders and may figure in the present court proceedings is the clash between Mr. Macarow, as general manager, and Mr. Kippen as manager of the Montreal main branch of the Bank. The impression gained by Mr. Laflamme's examination of the president, Sir Montagu Allan, at the meeting was that the contention would be that Mr. Kippen dealt directly with local loans and brought these personally before the Board of Directors and therefore was responsible to the directors and not to Mr. Macarow, while the general manager on his part was not aware of the true condition of the local commercial and call loans.

Suit Against Merchants Bank

A case in point is that of the Exclusive Ladies Wear which just now happens also to be the cause of a suit brought by L. O. Trivett and Co., of Nottingham, England, for some $11,000 against the Merchants Bank. This is being tried before Judge Martineau, and before it is concluded may throw some light on the methods of making some of these loans that turned out so disastrously for the bank. This case, with its connections, bridges over the period during which Mr. Macarow was local manager in 1915 and the time when Mr. Kippen was acting as his successor in 1916.

Claim Bank Aware of Insolvency

The claim of the English manufacturer made through W. S. Johnston, K. C. as attorney and A. Rives Hall, K. C., as counsel, is that the Merchants Bank made advances of $43,000 on warehouse receipts on July 31, 1920, not in the ordinary way of a loan but to cover an overdraft of $35,000 in the Exclusive Ladies Wear account through the charging back of paper of customers that had been honored when due. It appears that a portion of the merchandise on which the bank loan was made was the goods that had been sent out to the firm by Trivett & Co., for which they had not been paid nor have since been paid. The plaintiff claims that the bank was aware at the time the advance of $43,000 was made that Exclusive Ladies Wear was insolvent. Figures submitted at the trial indicate that during the first seven months of 1920 the amount discounted by the firm with the bank was $1,598,000, while the amount "charged back," that is customers' paper not met in full, was $1,544,000.

The evidence goes to show that Mr. Lassner, vice-president of the company, went on a buying trip to England in June 1920 and purchased $330,000 of goods. The firm went into liquidation in September, 1920, three months later, with about $1,000,000 of liabilities. The total assets realized $158,000, or about 15 cents on the dollar, and this went to the Bank, whose claims were about $606,000.

Bank Held $80,000 Stock

The evidence goes to show that the firm about the end of 1915 took over a stock chiefly of laces valued at $80,000, which had been owned by Kussner Bros., which had gone into liquidation in December, 1913, leaving this stock in the hands of the Merchants Bank. Very little of this had been disposed of by Exclusive Ladies Wear. The failure, he declared, came to him like "a bolt from the blue." The arrangement by which Exclusive Ladies Wear took over the account of the defunct Kussner Bros. was made, he declared, before he was local manager. Mr. Macarow's reply to this has not yet been given as the court adjourned for several weeks.

The Merchants Bank court case had a preliminary hearing before the Judge in the filing of monthly returns by a representative of the Department of Finance at Ottawa. It is on the figures contained in these returns that the allegation of making false returns is based. It seems probable that a delay of a week or two more may occur while the auditors are busy on the books and the lawyers on both sides are preparing their material.

STANDARD

C. F. Batty, of Oshawa, has been appointed manager of the Flesherton branch of the Standard Bank, to succeed George Mitchell, who has resigned to retire after being manager of the branch for 15 years.

COMMERCE

A. E. Arscott, assistant manager at the Ottawa branch of the Canadian Bank of Commerce, has been appointed assistant manager at the main Toronto branch, in succession to the late A. G. Campbell.

A. W. Roberts, whose death occurred recently at Port Arthur, was manager of the Bank of Commerce at that point since 1905. Mr. Roberts joined the bank at Toronto in 1880.

KANSAS BANK FAILURES

Alleged Crooked Financiers Are To Be Investigated

Kansas is going to be compelled to make a house cleaning of alleged crooked bankers. There have been 16 bank failures in the State in the last few months in all of which the State Banking Department found something wrong, either direct defalcation or the manipulation of bank funds. There are now five bankers counted among the missing. One committed suicide, seven are in jail, two are awaiting trial. In the latest bank failure the department is confident that there has been illegal manipulation of bank funds but it has not yet obtained sufficient information upon which to base a prosecution of the bankers guilty.

U. S. CROP CONDITIONS

Estimates Compared with Those of Last Year

The Snow-Bartlett Frazier crop report makes condition of American winter wheat at the end of March, 78.7, against 76.0 last December. This improvement, coupled with the advance in par value, figuring in both cases upon the government basis, increases the crop prospect from 527,000,000 bushels in December to 580,000,000 at this date. In both cases the prospective crop is calculated upon the basis of a ten-year average abandonment of acreage, and any abandonment this year above or below that average would correspondingly decrease or increase the crop possibility. The acreage to be abandoned cannot be forecast with any degree of accuracy at this date, because action of growers will be determined by factors that cannot yet be measured. So far as winter killing is concerned the present impression favors about an average experience, but the abandonment in the southwest, because of weather conditions during the fall and early winter, cannot even be approximated by the closest observer until there shall have been sufficient growing weather to determine the full effect of the ample moisture supply now present. Plenty of moisture is now recorded from every section of the belt.

On April 1st, last year, the official forecast was for 621,000,000 bushels but the final crop harvested was reported at only 587,000,000 after a substantial upward revision of the acreage.

CLEARING HOUSE AT GALT

A bank clearing house has been opened at Galt, with headquarters at the Bank of Nova Scotia, under the management of A. F. Knight. This will be the thirtieth clearing house in the Dominion.

Weekly Bank Clearance

(In comparison with same week last year)

EASTERN CITIES

	Mar. 30, 1922	Change	%
Toronto	$ 95,347,752	+$28,375,180	42.3
Montreal	65,623,674	+ 6,290,050	7.9
Ottawa	5,654,353	+ 999,637	21.4
Hamilton	4,702,078	+ 406,493	9.4
Quebec	4,033,569	— 500,592	11.0
Halifax	2,540,414	+ 208,751	8.9
Windsor	2,500,521	+ 385,987	18.2
St. John	2,315,662	+ 120,701	5.0
London	2,111,661	— 304,740	12.6
Moncton	1,250,355	+ 365,803	41.2
Brantford	796,726	— 35,432	4.2
Kitchener	738,854	+ 61,344	9.0
Sherbrooke	618,970	— 82,066	11.7
Peterboro'	597,264	— 142,066	19.2
Total ..	$208,831,853	+$36,149,050	20.9
Kingston	490,388	....	

WESTERN CITIES

	Mar. 30, 1922	Change	%
Winnipeg	$32,202,625	+ $2,046,844	6.7
Vancouver	11,455,866	+ 1,161,525	11.3
Calgary	3,915,662	— 926,308	19.1
Edmonton	3,307,605	+ 231,599	7.5
Regina	2,737,971	— 814,310	22.9
Saskatoon	1,229,902	— 228,191	15.6
Moose Jaw	823,267	— 170,722	17.1
Lethbridge	559,072	+ 82,964	17.4
Ft. William	523,284	+ 3,333	.6
Brandon	445,142	— 47,329	9.6
N. W'minster	432,460	+ 25,858	6.3
Prince Albert	257,881	— 128,141	33.1
Medicine Hat	251,773	+ 22,547	8.2
Total West	$58,142,510	+$1,814,577	3.2
Grand Total	$266,974,363	+$37,963,627	16.5
Yr. to date	$2,610,999,023	—$164,393,578	5.9

Monthly Bank Clearance

(In comparison with same month last year)

EASTERN CITIES

	March, 1922	Change	%
Toronto	$437,214,667	—$33,539,359	8.3
Montreal	449,755,812	— 5,406,800	1.1
Ottawa	27,762,194	— 4,069,372	12.7
Hamilton	22,104,727	— 2,647,727	10.6
Quebec	21,567,799	— 4,545,977	17.4
Windsor	12,717,821	+ 882,603	7.4
Halifax	12,428,807	— 2,113,327	14.5
London	11,765,399	— 1,904,968	13.9
St. John	11,222,011	— 591,269	5.0
Moncton	4,783,799	— 750,618	13.5
Kitchener	4,229,128	+ 294,027	7.4
Brantford	4,109,500	— 1,228,934	23.0
Sherbrooke	3,373,549	— 1,439,912	29.9
Peterboro'	3,122,912	— 876,856	21.9
Total East	$1,026,158,125	+ $9,140,229	.08
Kingston	2,706,444	....	

WESTERN CITIES

	March, 1922	Change	%
Winnipeg	$176,939,958	+ $7,998,790	4.7
Vancouver	55,813,641	— 1,624,129	2.8
Calgary	21,687,121	— 6,118,781	22.0
Edmonton	17,412,481	— 2,343,770	11.8
Regina	12,887,064	— 2,392,103	15.6
Victoria	8,509,693	— 1,276,206	13.0
Saskatoon	6,471,287	— 1,489,666	18.7
Moose Jaw	4,661,234	— 1,005,465	17.7
F. William	2,876,580	— 829,731	22.3
Lethbridge	2,522,366	— 12,434	.4
Brandon	2,386,575	— 430,247	15.2
N. Westminster	2,033,219	— 495,975	19.6
Medicine Hat	1,467,179	— 369,740	20.1
Pr. Albert	1,374,586	— 214,102	13.4
Total West	$317,042,984	—$10,603,559	3.2
Grand total	$1,343,201,109	—$ 1,463,330	.10

POLITICAL NEWS AND COAL STRIKE AFFECT STERLING

Result of Improvement in English Politics Has Favorable Effect

During the latter part of the week Sterling exchange showed a distinct upward swing due to the great improvement in the political situation in England and to the coal strike in Canada and the United States. In the early part of the week the market was comparatively quiet and was characterized by dullness and easy money.

The British foreign trade is again up to first place as indicated by the trade returns for February, when the exports exceeded the imports and the volume was $93,000,000 above the American merchandise total for the same period. In miscellaneous volume British export trade of February of the current year improved over both January, 1922 and February 1921. There was a visible export balance of £2,373,000, compared with an adverse debit of £16,450,000 of a year ago. At $4.35 the pound English domestic exports in February 1922 totalled $253,757,725. At $3.86 a pound they were $263,336,960 in February 1921. In the latter months American domestic exports were valued at $246,357,127 and in the earlier at $469,567,397. Volume of fluctuations in the Scandinavian currencies during the past month indicate that the market is being manipulated and also to the heavy buying from Germany. Exchange in Rome and Amsterdam was steady. On the whole the continental exchange markets were quiet.

Canadian funds were erratic throughout the week, fluctuating between 2 13-16 and a high of 3⅛. The market in spite of the small gains made was considerably firmer.

NEW YORK FUNDS

Mar. 30—Slight reaction, opening at 2 7-8, closing at 2 13-16.

Mar. 31—Market stronger, closing at 2 31-32, net gain, 5-32.

April 1—Stronger, opening at 3 1-8, up 5-32.

April 3—Slightly weaker, closing at 3 1-32.

April 4—Rate receded under pressure, touching low of 2 29-32.

April 5—Opened at 3 1-16, sold off to 2 31-32.

STERLING AND FRANCS

	Demand	Cables	Demand	Cables
Mar. 30—	$4.37⅛	$4.37⅞	11.10	11.12
Mar. 31—	4.37⅝	4.38⅛	11.08	11.10
April 1—	4.37½	4.38¼	11.08	11.10
April 3—	4.39⅛	4.39⅞	11.05	11.07
April 4—	4.39⅝	4.40⅜	10.93	10.95
April 5—	4.38⅝	4.39⅜	10.90	10.92

WHAT IS WIRELESS?

Wireless is man's control of electro-magnetic waves in the ether. But what are electro-magnetic waves? Briefly, they are disturbances traveling through ether or space. When you see sunlight, you see electro-magnetic waves, at such a number of vibrations per second that they are below the range of your vision and are perceptible to your senses only through your sense of feeling or touch. But both light and heat are exactly the same thing, namely, electro-magnetic waves. The only difference between them is that the lengths of the wave are different. The wave-length of light is almost inconceivably short—about one fifty-thousandth of an inch. The wave-length of heat is longer—about one ten-thousandth of an inch. Now, wireless is exactly the same thing as light and heat, except that its wave-length is immensely longer—anywhere from 200 feet to 20 miles.—French Strother in the World's Work.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge 6s (1940)	85	86
Algoma Steel 5s (1962).	46¼	46¾
Alta. Pac. Grain com...	108	120
Do pref.	85	....
Ashdown Hard 5's (1928)	85	....
Can. Nor. Ry. 4's (1934), Dom guarantee..	84½	85½
Do 4s (1930) Man Guar.	87¼	88
Can. Oil com	45	51
Can. Westinghouse	108	....
Can. Woollens com	16½	18½
Cockshutt Plow pfd ...	40	42½
Colling. Ship. Bld. com.	40	45
Do 6s	90	....
Cuban Can. Sugar pref..	15	15½
Davies, Wm., 6's	99	....
D. Iron & Steel 5s (1939)	72½	73½
Dom. Power com.	24½	25½
Dunlop Tire 6s..	90	....
Eastern Car 6s	89	....
Famous Players pref....	54	58
Fraser Co. 8's (1941) ...	96	....
Gt. West Life	200	....
Gunns Ltd pref	61	....
Home Bank	....	100
How. Smith Pap. 7's(1941)	....	95
Imperial Oil	102	103½
King Edward Hotel com..	54	59
L. Superior Paper 6s...	88½	....
Lambton Golf	390	420
Manufacturing Life	38	....
Massey-Harris..	47	54
Mattagami Pulp pref	....	18
Do debs	32	35
Mercantile Trust	98	100
Mercantile Trust	98	100
Murray-Kay pref	53	56
National Life	40	....
Neilson, Wm., 6's	90	....
N. S. Steel 6% deb.	73	....
Ontario Pulp 6s	86½	90
Price Bros. 5s (1940) ...	86	87
Robert Simpson pref	82¼	....
Spanish River 8s (1941)	96	....
Sterling Bank	....	102
Sterling Coal com	18	21
Toronto Power 5s 1924 ..	94	95
Trust and Guarantee....	70	71
Amer. Salesbook 6s	98	....
Durant Motors	10½	11½
English Electric com....	24	25½
Do pref.	96	98
Mount Royal Hotel com	24	26
Do deb 30% bon com.	....	100
Western Assurance	4½	5½
Western Power 5s	76	....

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NEWS AND VIEWS FOR MANAGERS

MANITOBA SPENDS THOUSANDS ON ITS FARM LOAN SCHEME

It is Claimed That Benefits Are in Lower Interest Rates

From Our Own Correspondent

WINNIPEG.—With an election pending, and a defeated government "carrying on" J. T. Haig leader of the Conservative group in the Manitoba legislature, toward the close of last week revived the provincial farm financing discussion by trying to have struck out an item of $24.015 which had been asked by the Provincial Treasurer for rural credit supervision and administration. This appropriation, which was ultimately passed by the House brings to approximately $50,000 the amount required to administer Manitoba's rural credits during the past two years.

Mr. Haig contended that the Rural Credit Department should be self-sustaining and the operating costs paid by the borrowers. "The general taxpayer should not help pay interest for rural credit loans."

Premier Norris and the Provincial Treasurer blamed Eastern financial interests and Eastern financial newspapers for instigating the attack upon them. Hon. Edward Brown declared that back of the whole situation in the province and the downfall of the government was the feeling started by the banks and the loan companies against the Norris administration for instituting rural credits and savings offices.

The Post Gets Attention

Premier Norris characterized the criticisms of Eastern financial newspapers as "the most unwarranted, untruthful, and unjust criticism ever made." Mr. Brown argued that the Eastern financial newspapers would not give the province fair treatment but misrepresented the position of Manitoba on every occasion. These papers he maintained were catering to their supporters, such as the banks and the insurance companies and it was natural they should object because the government had stepped into their field. He referred specifically to the report which appeared in THE FINANCIAL POST hinting at the probable ultimate withdrawal of the provincial savings offices.

"There will be no abandonment of the provincial banking system, nor the rural credits system as they are in the public interest," he declared. "They are not class legislation, but are for the general prosperity of the whole province. The people recognize they are needed and no administration could abolish them. Although I may not be entrusted with the administration of the treasury, the lines have been laid too deeply to be uprooted."

Interesting as indicating his attitude toward rural credits was the praise which William Robson, leader of the Farmer group bestowed upon the scheme. Mr Robson said rural credits had lowered bank interest rate by 2 per cent. and had made loans easier to get in Manitoba. Rural credits was the greatest benefit the Norris government had bestowed on the province in his opinion.

In a statement relative to costs the Provincial Treasurer announced that through the rural credits the farmers owe the province $3,000,000 less $70,000, and he voiced the opinion that unless a series of bad crops like that of last year was experienced he had no hesitation in asserting that Manitoba would not lose one dollar in the venture, which had been forced on them when it was found that the banks would not assist the farmers to the desired extent. Premier Norris emphasized that rural credits involving $3,000,000, cost $30-000 annually to administer. The Premier maintained that the only chance for a loss to the province through the rural credits would be if the government changed and a new administration wrecked the scheme for political purposes.

They Avoid The Facts

The legislative debate made it clear that the M. L. A's prefer to bear tribute to the paternalistic qualities of Manitoba's rural credit program rather than dwell upon its economic influences. George Clingan (Virden) was so impressed with the way the rural credit societies fill a great need that while presupposing that the province might not receive a complete return on loans and interest he was disposed to feel that if there was a loss of even half a million dollars the province would still be ahead, since cost of obtaining money was lowered to the general public.

The salient points in the debate are developed in an editorial in the Manitoba Free Press, in part as follows:

"The morning session after the eye-opener from the member for St. Boniface, was devoted entirely to the discussion of a motion by Jack Haig to eliminate an item of $24,000 for supervision of overhead expenses of the rural credit societies. These societies, he averred briefly, should be self-supporting. Jack all unwittingly started something. That something being a fine line of campaign propaganda from the government benches. The item was in reality a vote for agriculture, they said. Once more Mr. Haig was showing his close alliance with the financial magnates of Winnipeg, and the east, who so thoroughly detested these services which the present administration had instituted for the benefit of the farmers.

"The provincial treasurer made a first-class fighting speech. When he sat down he was applauded generously, and for some time, by all the members of the house except the Tory group. It was a really striking demonstration. The barrage was started by Dr. Clingan, of Virden, who gave a handsome endorsation to the treasurer, 'the most maligned man in the administration,' the doctor called him. Then John Williams said it was perfectly proper to put this item in general expenditure. Then Mr. Talbot, of vote of censure fame, took a slam at the Tory leader, oh, yes, every one was doing it, and Leader Robson of the farmer group paid tribute to the value of the government's services.

"Next came George Palmer, who thought there should be more supervision, and then the provincial treasurer. The city could not be prosperous—without the prosperity of agriculture, was his first theme. Then he said that with one reservation he expected no loss from the three million dollars' worth of loans. The reservation being another period of bad crops. From that he went on to say that the hostility to the administration was being fostered by financial interests. He read from the Financial Post of Toronto that the impending disappearance of the Norris administration would undoubtedly mean the abolition of rural credits, provincial savings banks, and so forth, by 'the hard-headed farmers who would come into power.' This tickled the labor men especially, and the whole house laughed.

"The tragedy was that there was only $70,000 left for these societies. Mr. Brown had wanted to put through another half million but the existing circumstances precluded that. Then he dealt with the benefits to the community due to lowering of rates of interest by the rates of interest of the societies and the banks as a result. In conclusion he forecast his retirement from public life, but he was conscious of having discharged his duty, which fact history would appreciate."

Montreal Not So Free With Farm Loans

A western business man who is very close to the agricultural situation writes expressing the opinion that the absorption of the Merchants Bank by the Bank of Montreal will mean a curtailment of farm loans, because the policy of the latter bank has not been so favorable to agricultural credits as the institution which is now disappearing. However, it is not expected that there will be any undue pressure to make collections before another crop has been harvested. Under the circumstances this correspondent regards it as fortunate that a man of the calibre of A. M. Peters has been named as inspector, "as he knows the conditions in this province as well as any man in it and is a fair and able man to deal with; one need not fear snap judgments from such a source."

BANKING FOLLIES IN OKLAHOMA STATE

Rush of State Banks to Have Their Charters Changed to National Banks

Not all the economic mistakes of state government are confined to North Dakota. Oklahoma is now giving a demonstration of the follies which can grow out of the belief that a state treasury can pour out the universal panacea for all economic ills—in this particular instance by attempting to guarantee the deposits of its state banks.

The outcome is that the guarantee fund is badly involved and state banks are turning into national banks as fast as red tape will let them. Between June 30 and December 31 of last year 63 state banks were nationalized. Between November 14 last and the present time 43 have left the state fold, and 41 more have applications pending. Last June there were 620 state banks. Next June there will be at least a hundred fewer.

A total of $2,200,000 is said to be due to depositors of failed banks who have received nothing from the state, according to Allan H. Temple, in Commerce and Finance. In addition the state banking department owes $2,300,000 in warrants bearing 6 per cent. interest which it sold to pay other depositors. And it had in the guarantee fund at the end of 1921—how much? $34,000.

The explanation is simple. The law stipulates that the fund shall be raised by an assessment on the average annual deposits of state banks. Failures have been heavier than the legislators contemplated, and rather than pay the assessment banks are becoming nationalized. The amount is only about $200,000 annually!

The guarantee was expected to boom banking in Oklahoma, but by bringing inexperienced men into the business and unduly stimulating expansion it boomed it a bit too vigorously. Unless the state realizes more than it expects in liquidating the assets of the defunct banks the guarantee is in a perilous position.

ILLINOIS TRACTION

The February returns of the Illinois Traction Company shows gross amounting to $1,862,275, as compared with $1,-845,515 for the same month in 1921, an increase of $17,118. Net, after deducting $1,244,951 for expenses and taxes, totalled $617,324, an increase of $96,488.

BANKERS SHOULD LEAD THOUGHT IN THIS HECTIC AGE

Rush of Modern Inventions is Disturbing to Public Opinion

The importance of the banker as a leader of opinicn in this helter-skelter age of rapid transportation, extra editions, radiophones, and movies, which has rendered opinion much more formless than when people had time for reflection and reached more solid convictions was emphasized in an address on the education of the banker by Benjamin M. Anderson, Jr., Ph. D., economist of the Chase National Bank, New York, before a joint meeting of the Cincinnati Bankers' Forum and the Cincinnati Association of Credit Men, March 30th. Dr. Anderson said in part:

"I want to talk about the education of a banker, which means in part, in very large part, the education of a man; because if there is any man who is called upon to be an all-round man, a citizen, a good fellow, a man of the world, it is the banker. What I shall say will have special reference to education itself rather than to banking.

"I want to make a sharp criticism of one place of modern education that is doing a great deal to spoil the human mind. I mean the insistence that education shall be tested in the practice of the work following the lesson, the insistence upon getting something immediately practical every time you go to the classroom, every time you read a book, every time you acquire a bit of knowledge.

"We are accustomed to the proposition that a thing is all right in theory, but that it is practically wrong. This involves a fallacy in the very statement. If a thing is right in theory it will work out in practice. If it won't work out in practice the theory is wrong, the theory is incomplete, the theory is badly worked out, or the theory is based upon an insufficient amount of information. Try it out in practice. If it won't work, revise the theory. If a theory is spun out of thin air and has no facts behind it, it is a fualt both as theory and as the basis of practice. A theory that grows out of practice, checked against facts, revised in the light of these and other facts, a theory which finally becomes an expression of a great multitude of facts, is one of the most practically useful things that a man can have, because it is a shorthand that saves an immense amount of work. It embraces a multitude of facts. If you've got it, you've got the facts.

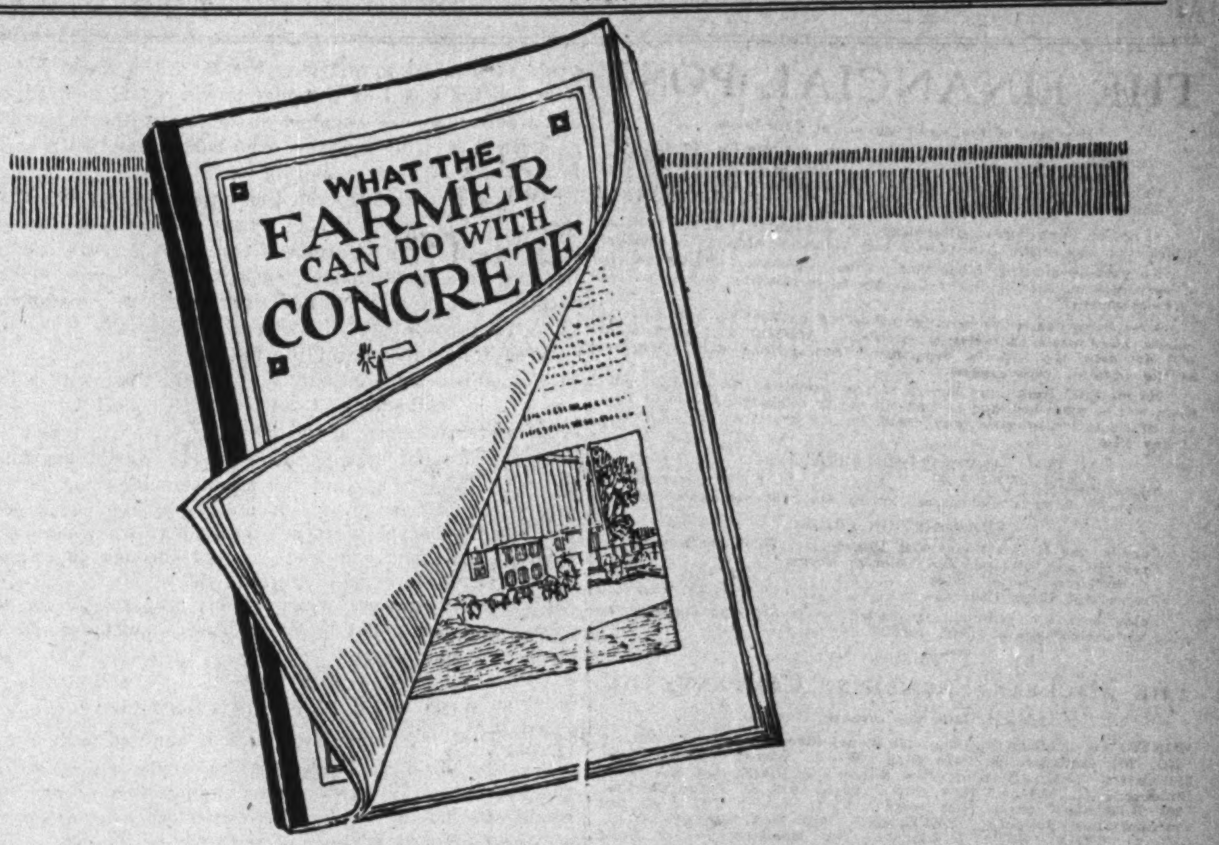
New Devices and Methods

"Detailed methods of banking shift frequently. New devices and new methods which make for greater economy and efficiency are constantly being devised. A text-book describing in detail the routine of a great city bank ten years ago might easily be very misleading today, but a good book on bank-principles written forty years ago may easily be immensely illuminating today. The banker who has mastered principles is notconfused by changing conditions. Indeed he welcomes new conditions they give him an opportunity to show his mastery of banking, an opportunity to prove his mettle, an opportunity to solve interesting problems. I do not mean to question the need for accurate detailed knowledge of the job which one is doing. The banker must know the facts with which he works and must know them with accuracy and precision. But there are two ways of knowing facts: one may know them by sheer brute force of memory with tremendous exertion, or one may know them easily and adequately by seeing them hang together as the illustrations of a body of principles. The man who knows principles gathers facts easily because facts have meaning for him. He chooses the facts which are significant and he refrains from burdening his memory with facts which have no meaning and are of no use. Except in the light of principle there is no way of telling which facts are worth while and which are not.

"Principles are labor-saving devices. The busy banker, for whom study is, in any case, a difficult matter accomplished at odd hours and spare moments in the midst of heavy pressure, is the last man on earth who can afford to dispense with that greatest of all labor-saving devices—clear, theoretical, logical reasoning.

"We used to have a great deal more theoretical thinking and logical reasoning on the part of the great masses of men than we have today. I can recall when I was a boy that the farmers in the Blue Grass country, where I grew up, would reason pretty logically about two main topics of thought. One was constitutional law and the other was theology. They used to dispute with great subtlety and refinement of logic about such questions as these: Is infant baptism ordained of God? Is baptism for the remission of sins? Is baptism by sprinkling or pouring Scriptural baptism or is immersion necessary? Is the doctrine of original sin justified by Scripture? These farmers debated the question, as did Webster and Colhoun, whether the States did, or did not, have a right to secede. In the four corners of the Constitution, which they knew by the way, they could find their reasons. They read the Bible and they knew the Bible; and they read the Constitution, and they knew the Constitution—two excellent documents very little known to the modern world unfortunately; Now that type of reasoning has gone out of fashion, and the sources of authority, the clergyman, the lawyer, the member of Congress, or the public man, who used to discuss these questions, have lost very much of their old authority. Instead of a definite orderly body of thought, and definite centers of authority on questions that the people were interested in and talking about, we have a great mass of loose ideas floating about and shifting constantly. People do not think about the same subject very long nowadays. They think in looser terms. They read the newspapers more, which is in itself a good

(Continued on page 13)



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"Ovington's Bank," By Stanley J. Weyman

which began in the March 15th issue of MACLEAN'S MAGAZINE.

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The second instalment appears in the April 1 issue of MACLEAN'S, but it is not a bit too late to start this story now. If you cannot get a copy of the March 15th issue, start in with the synopsis of the opening chapter which appears, along with the second generous instalment, in the

April 1st

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TORONTO, APRIL 7, 1922

WHAT SIR JOHN EATON ACCOMPLISHED

WHATEVER the accomplishments of Sir John Eaton as a business organizer and executive, no higher tribute could have been paid to him as the official head of a great commercial enterprise than the widespread expression of sympathy at his removal in the prime of a career in which he effectively played the part of a public-spirited Canadian, conscientious employer and big-hearted citizen.

To him was given not so much the task of business building as business preserving and that he effectively discharged because he showed a desire to not only place his personal services at the disposition of the public but as well the Eaton organization and the Eaton fortune. Largely because of this high standard of service and public-spiritedness the Eaton Company has been able to maintain efficiency in the face of very trying conditions. In a period in which labor and social movements have made their influence widely felt the company has always taken a forward step in the matter of reforms as to conditions and hours of employment; those on active war service were most generously treated. In the long run this has undoubtedly meant lower rather than higher costs because good pay and short hours have meant enthusiasm and loyalty on the part of the workers and have permitted the inauguration of systems which have resulted in a much higher state of efficiency in production and in service.

It was the spirit of Sir John Eaton at the head of the big company and the policies which reflected it which have been largely responsible for rendering the concerns' operations free from the attacks of labor, social and the other agitators who make big business their special target—in that alone his was an invaluable influence in a period of change and unrest.

MURRAY REPORT STANDS TESTS

EFFORTS have been made by the Toronto newspapers to discount the report of Murray and Flood, which proved conclusively how private power companies in both the United States and Quebec are serving the public more cheaply than the Hydro Electric Commission in Ontario. These have been drawn to the attention of Mr. Murray by THE FINANCIAL POST; he wires that "no statement since publication of report controverts any of the facts presented" and that "concentration on domestic lighting is not germane to the situation."

On this question of comparing average rates, to which the Hydro officials seemingly object, an eminent American consulting engineer who has carefully investigated the whole situation in Ontario but not for any of the interests directly concerned at Niagara, tells THE FINANCIAL POST that a "high average and exceptionally low rate for one class of consumers means an exceptionally high rate for some other class of consumers." He continues:

Cities are built upon industry, and industries requiring power will go where they can get power to the best advantage. If industries are penalized in Toronto in respect of power costs, their employes, consumers of residence lighting, will not be in Toronto to take advantage of the lower cost for domestic use now prevailing in Toronto.

Hydro rates are said to be based upon the "cost" of service. It is obvious to any one that the cost of commercial lighting service, stores, theatres, factories, etc., concentrated as they are in the business districts of towns, and using as they do comparatively large amounts of electricity, is far less per kilowatt hour than the cost of supplying electricity in small quantities over scattered residence districts. Hydro rates for consumers of domestic lighting and commercial lighting are about the same in the City of Toronto. It is obvious then if the commercial light is supplied at cost, the domestic lighting is supplied below cost. However, in very many other towns supplied by Hydro, commercial rates are more than domestic rates.

Reference has previously been made to the penalties exacted by Hydro method of distribution as compared with that employed in California. There the highest rate charged by the Edison Company is 8 cents per kilowatt hour for the first block. Hydro publishes schedules for 200 of nearly 300 municipalities; of these 110 have higher rates for commercial lighting on the first block than 8 cents. Markham has a rate of 20 cents per kilowatt hour for the first block compared with the 8 cents in California for the most isolated ranch house. As to domestic lighting, it is impossible to make comparisons, since Hydro domestic schedules include a floor area charge which cannot be reduced to a kilowatt hour basis.

WOULD ROB PETER TO PAY PAUL

THAT CANADA should sell her agricultural products on a profitable basis is essential to the prosperity of the manufacturer, the merchant and the industrial worker, just as it is essential to the prosperity of the farmer—and the better the price and the larger the margin of profit the greater the measure of that prosperity. Any project which will tend to increase the price of wheat or live stock to the producer, should, therefore, receive every encouragement.

But there is a distinct difference between any movement like that of the co-operative elevator company and wool marketing association, which operate to give the farmer a larger share of profit by cutting down the expense of marketing, and the proposal for a wheat board in which the credit of the government would be pledged and where any loss would be sustained by the taxpayers as a whole and not by those who would stand to benefit in the event of profit resulting.

Of course we have been told most emphatically that there would be no loss. And yet we find the Grain Growers Guide, the official organ of the grain growers organizations, making the naive proposal that to "make doubly certain" that no loss will be sustained by the government "it could provide that in the case of any loss it be recovered from the crop of the following year."

Can anyone imagine any government taking its political life in its hands and going out to collect from one crop losses sustained in the previous season in trying to defy the laws of supply and demand? Could anything be more unfair than that the producers of wheat in one season should from the product of their crop pay a portion for the benefit of those who had grown wheat in a previous year and who had received through the wheat board a price more than it was worth?

The grain growers organization's proposal for the recreation of the wheat board has been condemned out of their own mouthpiece.

WHO WILL PAY FOR CHIPPAWA?

THE IDEA of building a couple of hundred million dollars' worth of radial railways to provide a market for the expensive Chippawa power having been proven unsound, the defenders of public ownership are anxious to see the National railways electrified with the evident desire of covering up the costliness of Beck's big blunder. But it is not meeting the situation merely to shove the burden from the shoulders of the taxpayers of Ontario onto those of the taxpayers of Canada.

If cheap electric power, such as is available in Quebec and various parts of the United States, has not yet replaced coal on the big transportation systems how is the expensive power from the Chippawa development to do so? The idea that hydro-electric power is not necessarily cheap is one which is finally being forced on the public by a painful realization of the facts. The inquiry into the costs of Chippawa will emphasize this.

The minister of railways has wisely declined to run up the operating costs on the national steam roads in an attempt to justify Chippawa. Commonsense at Ottawa as at Queen's Park is no doubt galling to the public ownership protagonists.

CANADA MUST ANSWER G. T. R. CENSURE

THE FORMER premier, Mr. Meighen, was quite justified last week in bringing to the attention of Parliament criticisms that were contained in a London paper in reference to the alleged unfairness of Canada's treatment of the shareholders of the Grand Trunk Railway Co. in the recent arbitration. He was correct in declaring that the article in question was "defamatory to the honor of Canada." It was unfortunate that the Premier, Mr. King, while agreeing with the views of Mr. Meighen, contented himself with an opinion that the publicity given the words of Mr. Meighen would constitute an adequate reply, or defence, by this country to the charges made.

Mr. King is mistaken, just as Mr. Meighen was mistaken during the previous year when he failed to meet the charges that have periodically travelled through many sections of the British press in connection with the G. T. R. arbitration award. A denial of unfairness couched in general terms is useless, for it is unconvincing.

When these attacks on Canada's treatment of English investors appeared before, THE FINANCIAL POST urged on Mr. Meighen, then Premier, that the investing public in England should be made acquainted with the position Canada took. This has never been even attempted. A statement should be prepared at once by Ottawa, and spread broadcast over investment circles in Great Britain, giving a comprehensive review of the whole connection of the Grand Trunk with the Grand Trunk Pacific; the enormous sums the Canadian treasury has had to contribute year after year to meet G.T.R. liabilities contracted by the Grand Trunk voluntarily; also a list in detail of the aid given the Grand Trunk before and after its purchase by the Government, in order that the British shareholders and other investors may at last realize that the purchase proposal was all that saved the road from going into liquidation. The Canadian Government, in short, must prepare at once to offset the continuous propaganda that has been carried on by directors of the company overseas to make this country officially the "goat" instead of themselves for recklessness in building the Grand Trunk Pacific, and thus ruining the parent company.

EDITORIAL NOTES

A VISITOR to the Excelsior Life building in Toronto last week was forcibly reminded of the uncertainties of life by a chunk of ice falling on his head. Inquiries fail to indicate that any of the windows on the agents' floor were open at this time.

* * * *

OUR IDEA OF humor is ex-Mayor Church, of Toronto, telling the Minister of Labor in the House of Commons that he "talked all day yesterday, some of the day before and all day to-day, and the more he talks the less he knows, and the less he knows the more he talks."

* * * *

GROUP GOVERNMENT may be a good thing when certain factions combine to put out of power a government which has served its term of usefulness. But the benefits are questionable when not one of these groups has the strength or the courage to form a new government. A party can get along with politicians but a government needs statesmen.

* * * *

THE CANADIAN BANK OF COMMERCE declares Canada to be suffering, like many other countries, from an over-extension of the functions of government whose financing calls for greater taxation than can be borne, in turning the total of taxes in Manitoba, $57,190,000, against the total value of cereals produced in the province, $40,500,000.

* * * *

A FINANCIER who deals extensively in exchange declares that he has found a method of making money in his exchange trading. He considers carefully all the factors and then gets the advice of the best experts—and then he "double-crosses" himself; he says that in this way he wins oftener than he loses. If the majority of the people who play the stock market and the races worked on the same theory there would be more make money, evidently, than at present.

Great World Problem is Economic

Business Men Should Lead the Way Back to Normal Conditions, Says Sir Henry W. Thornton

By Major-General Sir HENRY W. THORNTON, General Manager of the Great Eastern Railway in England.

An interesting commentary is made by H. W. Thornton, based on reading F. A. Munsey's article in his paper the New York Herald and reprinted in THE FINANCIAL POST some weeks ago, "1922—What will it Mean to Us?" Thornton is an American university trained engineer and railway executive, whose successful experience induced one of the great British railways to offer him its management. During the war he rose to be head of British Transportation. He writes:

In no country can conditions be regarded as satisfactory and they vary all the way from bad to worse—mostly the latter. Those who have the capacity to think, the opportunity of accumulating information and the power to lead as well as advise should be addressing themselves to the task of assisting in the restoration of normal conditions not only in individual countries but throughout the world at large. In modern life for perfectly obvious reasons economic conditions have become so interwoven and so interdependent, that it is difficult, if not impossible, for any nation to pursue completely a policy of isolation, and however repugnant the thought may be to people of United States, they cannot view the general business position with equanimity and avoid extending that assistance to less fortunate countries which is essential for the re-establishment of business on a sound basis.

Apart from those who may have been responsible for the great war, the fact remains that it must be regarded as a universal and colossal calamity which calls for co-operative treatment. From another point of view the increase in manufacturing production in the United States, its advancing importance in the banking and financial world, coupled with the necessity of an outlet for the expansive energy of its population, will ultimately force America to abandon a policy of isolation with respect to Europe and inevitably bring about a much greater invasion of international relations in the future than has formerly been the case.

As you have pointed out, there are two fundamental facts which hamper the re-establishment of normal conditions, namely, excessive and crushing taxation and the high level of wages; the latter is or should be dependent upon the cost of living.

With respect to taxation: Governments must introduce, to some degree at least, that economy which any sound business organization would introduce when confronted by stern necessity. It is characteristic of governments that their affairs should be conducted with extravagance and in many ways inefficiency. It is recognized that a government cannot be run exactly as a private business, but after making due allowances there is certainly much room for the introduction of economical methods, and one of the most fruitful sources of retrenchment lies in the direction of reduced expenses for military purposes.

In this respect the Washington Conference made material progress, but there is much more which should and could be done; at any rate, governments should set the lead by ruthlessly reducing their expenses and "cutting the coat to fit the cloth." In England there is a pronounced and sincere movement in this direction. Thus far it has not advanced much beyond the stage of agitation, but the country as a whole is looking forward to substantial results from the labors of the Geddes committee, which was appointed for the purpose of reducing Government expenses.

There is another point: excessive taxation, coupled with undue extravagance in the conduct of a government, does not make for thrift on the part of its citizens and encourages reckless expenditure. The people of no one country can be expected to exercise thrift if a large proportion of what they make is to be appropriated by the government. Rather, the average man will say that if the government is going to take 50 per cent. or 60 per cent. of all he makes he may as well spend as much of it as he can before the government gets it. This does not tend to create a healthy condition.

In regard to wages: every citizen of a country is entitled to that remuneration for his toil as will enable him to live in comfort, decency and under proper sanitary conditions, and to educate and bring up his children as self-respecting members of society. How much more he receives depends upon what the business will stand and other circumstances. Any other policy produces an oncoming generation of anarchists and Bolshevists, dwarfed in mind and body, and prepared to engage in any destructive movement.

There is such a thing as "killing the goose that lays the golden egg," and a short sighted policy on the part of labor may force wages to that attitude which will kill production. In many countries this condition has been reached. The problem is one which ought to be amicably worked out between labor and capital. It may be difficult, but it can be done provided both sides are led by men who have the welfare of the nation as a whole at heart rather than any particular class, and it is to be remembered that a part cannot prosper unless the whole prospers, at least not for any length of time.

In England there are clear indications of a reasonable, statesmanlike point of view on the part of heads of industry and labor leaders, and more and more it is becoming realized that reduction in wages must precede restoration of business. To a large degree the possibilities with respect to liquidation of wages depends upon a reduced cost of living, and it is here that an intelligent and wise government must play its part in bringing this about.

Thus it is seen that the problem of the world is economic and not political, and this has been the nature of the international malady ever since the war ended. Most of our troubles have developed from a failure to recognize this fact. The wrong doctors have been dealing with the case and politicians have been attempting to deal with it when we should have called in financiers, business men and economists.

Only lately have various governments awakened to the true position. The Washington Conference was the commencement, and the summoning of delegates to Genoa to consider the international economic position is not only a step in the right direction but merits the support of all nations.

The readjustment of frontiers in Europe, with the exception of two or three instances, as well as the great mass of other subjects dealt with by the Treaty of Versailles are relatively unimportant as compared with the problem of how the world is going to pay for the war, and how the wheels of industry shall be made again to revolve. Indeed, it is a question if a mistake was not made in splitting up middle Europe into a number of relatively irresponsible States in a vain attempt to correct all of the ills that have accumulated in the last few centuries. It is not unlikely that in the next few decades, we may see the gravitation of these smaller States into larger nations, and the reconstruction of something like the old empires which existed before the war. Self-protection, the developments of common interests, inability to stand alone only await the guiding hand of the conqueror or the statesman, as the case may be, to re-establish in the course of time what existed before the war; at any rate such seems to be the lesson of history.

You have touched upon the railway industry, which is uniformly in a bad position in almost every country, although I think in some respects we are better off in England, than in the United States, due very largely to the fact that whatever mistakes our Government may have made they did not fall into the cardinal error of mixing politics with the working of the railways and the administration of transportation in England during the war was left almost entirely to those who were suspected of some knowledge of the business. Railway rates and fares must generally be reduced if industry is to get on its legs again.

No sane railway administrator takes any other position, but this cannot be brought about until working costs are reduced, which in turn depends to a large degree on wages. Materials in this country have already fallen considerably. Wages are moving downward, but, what is more important, a fine spirit permeates the relations between the railway trade unions and the railway companies.

PERSONALS

HON. JACOB NICOL, K.C., Provincial Treasurer of the Province of Quebec, has been added to the Board of Directors of the Banque Nationale. Mr. Nicol thus joins the group of four practical business men who were lately appointed as directors, Hon. Geo. E. Amyot, J. H. Fortier, Sir Geo. Garneau and C. E. Taschereau.

CHARLES GURD, the founder and president of Charles Gurd & Co., of Montreal, was presented by his associate directors with a large oil portrait of himself by G. Horne Russell, R.C.A., on the occasion of his 81st birthday. Mr. Gurd responded by singing three Irish songs. Each employee received a photographic copy of this portrait.

W. H. C. MUSSEN, of Mussens, Limited, of Montreal, who was one of the most energetic and successful of the Victory Loan campaign captains, had the pleasant experience this week of wiping out the last dollar of the liabilities that existed when this firm was placed in voluntary liquidation seven years ago. Cheques went out this week for the last dividend of 10 per cent., completing payment of 100 cents on the dollar. Mussens, Limited, which has been engaged for 20 years in the sale of railway, mining, contractors' and municipal supplies, applied for the appointment of a liquidator in 1915 when faced with the difficulty of disposing of a heavy stock on hand. The liabilities amounted to some $300,000, while the assets were valued at $550,000, or $250,000 in excess, but there was no market for them. At the time Mr. Mussen declared that every claim would be paid to the last cent. The firm has branches at Toronto, Winnipeg and Vancouver, and was established in 1901, being organized in 1906 as a joint stock company. John J. Robson, who has been acting as liquidator, will now enter the firm as its auditor.

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Cash Register Wanted—Single drawer. Receipt printer. Must be in excellent condition. Box No. 26.

A Holiday Haunt

Algonquin Park, Ontario, set apart by the Province of Ontario as a forest and game preserve, and as a vast playground for the people, is the subject of a well-illustrated booklet just published by the Canadian National-Grand Trunk Railways. A variety of sport awaits the holiday makers in this woodland sanctuary in which no shot is fired and no creature hurt throughout its area of 2,700 square miles. The Park contains at least one thousand lakes, providing endless opportunities for fishing, boating and bathing, while the worshipper of nature, should he so desire, may wander for miles unmolested through a land of freshness and charm, or pitch his camp by one of the many streams which pierce the pine woods. For those to whom camp life is not a joy, and who would dwell in the woods by day and in comfort by night, there are admirably appointed log cabins and a first-class hotel with excellent accommodation, the Highland Inn, overlooking one of the many beautiful lakes with which the reserve abounds. Free copy of this booklet can be obtained on application to any Canadian National-Grand Trunk ticket agent, or to C. E. Horning, D.P.A., Toronto, Ont.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

EXCHANGE

Crysler—I would be pleased to know the prospects and advise if better to buy foreign exchange now than to wait six months hence.

We would not care to make a forecast on the future trend of exchange. In our opinion this is one thing which cannot be successfully forecast because it depends more on future conditions and events than what has occurred in the past. A prominent financial man, the other day, stated that he had discovered the only correct way to figure exchange—that was to get all the information and advice you could and then "double-cross" yourself. In short, one answer seems to be about as good as another.

BRAZILIAN TRACTION

S. B., Toronto—Would like your opinion on Brazilian, now selling around 37.

For months we were of the opinion that Brazilian Traction presented attractive speculative possibilities for a hold. We felt that, with improving business conditions, a better outlook in exchange and prospects for reduced operating costs, particularly as regards coal, with an improvement also in investment sentiment, the price would eventually move to higher levels. At the present figure around 37, a very material advance is shown over the price of 28 at the opening of the year and of 19¾ at the low point of last year. We feel that the same factors are at work for continued improvement and that the stock is still attractive for a hold but, of course, the advance which has already taken place should not be overlooked and in view of this it is somewhat difficult to estimate the extent to which further improvement has been discounted.

ALLEN'S AND LOEW'S

Reader, Belleville—Might I ask that you be good enough to give me any information that is possible regarding Allen's Toronto Theatres, preferred, and Loew's Windsor common.

As you are probably aware the entertainment industry has been seriously affected by the general depression. The moving picture business had been developing very rapidly and the reaction has been felt keenly. At the moment it is difficult to find a market for the securities of moving picture theatres and there is likely to be a considerable spread between bids and offers as these securities are not listed. We hear quotations of 68 to 75 for Allen's Toronto Theatres preferred and anything from 1 to 3½ for Loew's Windsor common.

Our opinion is that the moving picture industry is now being adjusted to a better basis and that the present is not the time to dispose of securities which we presume you recognized as having speculative features when you purchased them.

HAMILTON FINANCE

T. H., Edmonton—Would like some information regarding the Hamilton Finance Corporation. Ten shares of preferred and seven of common are being offered for $128 and the preferred stock is to pay 7% interest and any excess earning is added back onto the common stock. It would appear that the corporation is under able management.

What you say about the capabilities of the management of the Hamilton Finance Corporation we believe to be well founded. Several of these second mortgage companies which have been well managed are making a very good showing. They have been meeting their preferred dividends and, we understand, have been setting aside surplus earnings for the establishment of a reserve. However, only the future can decide whether conditions will continue as favorable in this field as they have been in the past few years. A decline in the values of real estate would naturally have a direct effect upon the security of second mortgages and the consequences might be serious if these had not been very carefully selected.

You are paying par for your preferred stock and $4 a share for the common stock, in other words on the basis of $100 you are paying $100 for preferred and $40 for common. A preferred stock at par is not very attractive in relation to other values in the market and in paying $40 for common stock you should anticipate a dividend before a great period. In short you should realize from these figures that you are speculating on getting considerably more than your preferred dividend in order to make the proposition an attractive one. The net yield is about the same as Victory bonds, but, of course, there is not the same guarantee either as regards capital or interest.

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THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK
53

City Would Give Service-at-Cost Company Face Heavy Losses

St. John Considers Selling Light and Power While Forcing Company to Continue Gas and Street Cars

To enter into the electric light and power field—the profitable field—of the New Brunswick Power Company and have the company continue the gas and electric railway services—upon which losses are now being sustained—is a proposal before the City Council of St. John. Further it is proposed that if the company does not give satisfactory service in the face of such losses then the city shall take over the whole services of the company and if a deficit results under operation by the city then the company's properties and franchises shall be sold to make up such deficiency.

The situation has developed as the result of the activities of the government on a water power at Musquash—the value of which from the standpoint of an assured low-price power supply is a matter of controversy. However, as the question in St. John is a matter of distribution and both power company and the city are figuring on the same conditions of supply, the success of Musquash is not a real factor in this situation.

On behalf of the city, C. C. Kirby and Herbert Phillips, engineers, have been making a survey and have reported to Mayor Schofield that on the basis of light and power alone the St. John Power Company can take the power delivered by the Utilities Commission and distribute it at a lower price than the city on the basis of erecting a new plant. However, for the company to do so, it would face serious losses in providing gas and electric railway services. The company in its costs includes dividends on preferred stock as well as interest, taxes and other charges; taxes also are computed in the costs of service by the city. A summary of the figures upon which the engineers based their report is given below.

The proposals of the city are outlined in an act sent to the legislature. This gives the city of St. John power "to engage in the business of supplying electric light, heat and power . . . to persons and corporations within the limits of the city of St. John, the county of St. John and the Parish of Rothsay." The proposal to penalize the company to the extent of the seizure of all its property in the event of satisfactory gas and electric railway service not being given, is indicated in a clause which reads in part as follows:

In case upon an appeal from the Board of Directors of the New Brunswick Power Company to the Board of Commissioners of Public Utilities, the said Board shall overrule, modify or vary any order of the Directors determining the extent and character of the railway, electric and gas services requiring the Company to furnish reasonable adequate services and facilities; if the said company shall not forthwith obey the order of the board the board may authorize the city to take control of the whole or such part of the operations of the said company as in the judgment of the board may be necessary to provide reasonably adequate and proper service. In such case if there be not sufficient revenue from the operations carried on by the city then the same or any balance remaining unpaid may be paid out of the general revenues of the city and shall be a first lien upon the property of the company and the lieutenant-governor-in-council may authorize the city to sell the property and franchises of the company to satisfy said lien. Upon such sale being made the city is authorized to execute a good and sufficient conveyance to the purchaser or purchasers thereof free and clear of all liens, mortgages or encumbrances thereon. Out of the proceeds of any such sale the said city shall pay the balance into court to be distributed to the party or parties entitled thereto.

THE RAGE FOR RADIO

From The Industrial Department.

From 50,000 to 600,000 users in the space of one year, is the amazing record of wireless telephony, which Herbert Hoover, about to establish traffic rules in the air declared to be the most astounding development in American life. "Free as the air," was a phrase applicable to the radio some months ago, but now the ether has become so congested with commercial, political, amusement, religious and amatory communications that already the Federal Government has been compelled to regulate the wave length that can be used for purely personal or amusement messages. Few are the parallels to the development of the wireless phone—oil fields, moving pictures and Eskimo pie.

A Glimpse of Radio Activities

Here are some brief facts showing the amazing strides made by the radiophone in the past year: Today there are at least eighty broadcasting stations in various parts of the United States sending out entertainment, news and business programs; during a single recent week, according to reliable reports, over $5,000,000 of new capital was put into the radio business; hundreds of large and medium size department stores are installing receiving sets; farmers are adding radiophones to their farm equipment and are receiving regular messages from Government sources and farm papers telling about the weather prospects, market prices, and in addition a daily entertainment program that is doing much toward bringing the farm to the city; police departments are providing their patrolmen with small sets so that headquarters can keep in constant touch with them while on beat; taxicab companies are installing miniature sets in their taxicabs for the same purpose—in short there is hardly a phase of modern life which has not already been touched by the radiophone.

Clergymen find the radio a boon for it relieves the well-known "tired business man" of the necessity of going to church to get his weekly spiritual uplift. The great political parties are already in the field, laying plans for utilizing this little wonder in their next campaigns. Lyceum circuits, phonographs, theatres and similar enterprises have received a set-back, for "vox populi" can now stay at home and be entertained without leaving the house or paying admissions.

No one can safely predict the limit to the possibilities of the wireless phone. Herbert Hoover has said, "The use of the radio telephone for communication between single individuals, as in the case of the ordinary telephone, is a perfectly hopeless notion." Just now this statement is plausible, but who can tell? A short time ago it was believed that the antennae must be at least twenty feet above the ground and approximately one hundred feet long. Recently a wireless phone was set up on a cruising power boat and the antennae was contrived out of a metal strip along the gunwale and the boat's keel under water. Steel umbrella rods are commonly used with small portable receiving outfits. When the automobile, the movies and other epoch-making inventions first came into use there were carping critics who could see them only as fads. Will history repeat itself in the case of the radiophone?

The Practical Side of Radio

The radio has its practical side—entertainment is only the first and most sensational phase. Enterprising newspapers have been quick to grasp its possibilities. The Pittsburg Post was the pioneer in broadcasting a digest of the day's news and an entertainment program. Publishers find that by printing the programs to be broadcasted their circulations have jumped tremendously, which of course has its good effect on advertising income. Brokerage offices and stock exchanges, notably the Amsterdam Bourse, in Holland, regularly advise their clients and members of prevailing prices, while in Budapest there has been a wire telephone newspaper in operation for twenty-five years, and it is only a step to change to the wireless phone. Within the past few months the German Government has installed near Berlin a station for broadcasting general news on a regular daily schedule throughout the entire country.

The wire telephone companies are now working out plans to utilize the radiophone, combining the two to give greater service. For example, a message recently was sent by telephone wire to the sea coast of England and then radioed on to Amsterdam without the intervention of human hand. The combination land and air phone service as an adjunct to news gathering received great impetus at a demonstration given in New York by the American Telephone and Telegraph Company, where newspaper men heard the first news story ever radioed from a ship at sea to shore.

Phonograph companies are also utilizing their little rival for popularity. The manufacturer of the Columbia machine has established the practice of broadcasting its new records the day before they are released to the trade for sale. This is one form of advertising, and it is logical to believe the idea will be worked out to include a tremendous variety of products. Let's hope that these ads will not become so pestiferous to radio owners as were the attempts at advertising on the screen in the early days of the movies.

Doctors find the radiophone a Godsend in their hospital work. A large number of hospitals have already installed receiving sets for the benefit of patients and the good work is going on. Boards of education are also keenly alive to the radio's possibilities and it is only a matter of time until the young idea will be taught via wireless telephony.

CURRENT OPINION

FLOATING EXHIBITS

Quebec Telegraph.

The excellent French project of advertising the products of French industry in the United States and Canada by means of an exhibition train, which is to be followed by the sending of a Canadian train to France, has perhaps suggested to the people of Halifax the idea that the government should fit out one of its idle steamers as a floating exhibition of Canadian products and send it on a voyage to the principal trading ports of the world. Such a floating exhibition could, it is pointed out, be fitted into the plan of the Canadian Manufacturers' Association to run a special train bearing exhibits of Canadian products through France. In Great Britain arrangements have been made for the construction of a ship to tour the world with an exhibition of British goods. The British Industry, as she is to be called, will have a capacity of 20,000 gross tons, and will be propelled by Deisel engines. Exhibition stands and show cases will be laid out on the four main exhibition decks, and accommodation for trade representatives exhibition officials, etc., will be provided on the upper decks. There will be a ballroom, cinema and restaurant capable of seating 500 people. The British Government is also being urged to utilize some of the money saved by cancelling warship contracts to construct several mammoth peace ships to be employed for a term of years for industrial exhibition purposes. The revenue derived from renting space in such ships would, it is claimed, go a long way to meet the cost, though the possible impetus to foreign trade would be the principal consideration. While the ships of the Canadian Government Merchant Marine are not adapted to the creation of a floating exhibition on a grand scale, it is said the utilization of one of them for such purpose would not present great difficulties. In the opinion of some exporters in the Maritime Provinces, the important thing for Canada is to inaugurate a floating exhibition before Great Britain and France do, as the first venture is likely to receive the most advertising. The Telegraph regards the suggestion as a good one, irrespective of its origin, and hopes to see it acted upon. The exhibits should, of course, be representative of the whole Dominion.

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Following are prices:

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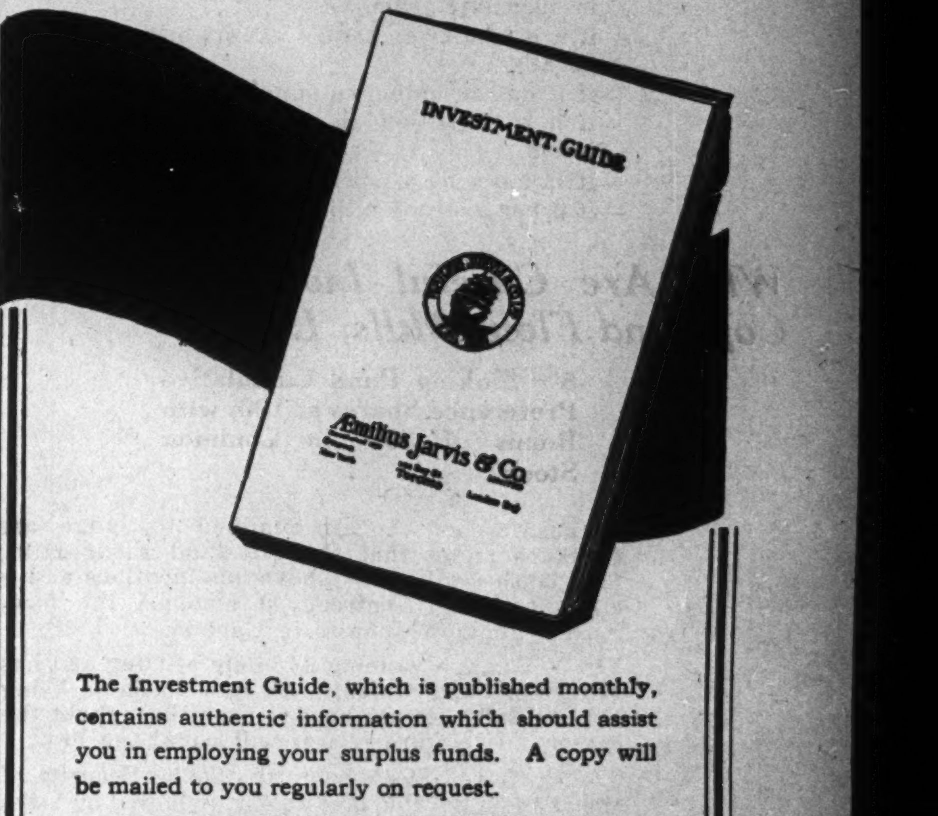

The Investment Guide, which is published monthly, contains authentic information which should assist you in employing your surplus funds. A copy will be mailed to you regularly on request.

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Ottawa Light, Heat & Power Co. 6½'s, Oct. 1, 1940
Ottawa Light, Heat & Power Co. 8's, Oct. 1, 1940
Bell Telephone Company of Canada 5's, April 1, 1925
Bell Telephone Company of Canada 7's, April 1, 1925
Maritime Telegraph & Telephone Co. 7's, Dec. 1, 1945

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What Makes a Flour Mill Profitable?

A flour mill should be profitable
—if it is modern in construction.
—if it is located so as to enjoy low freight rates on incoming grain.
—if it is located to handle export business economically.
—if it has an unlimited supply of grain.
—if it is convenient to a large consuming population.
—if it has cheap power and good management.
—if it has a strong selling organization.

Why Are Careful Investors Buying Copeland Flour Mills, Ltd.—

8% Sinking Fund Cumulative Preference Shares at 100, with Bonus of 30% in Common Stock?

Because critics who are qualified to judge are frank to admit that the Copeland Flour Mills, Limited, has all of the above qualifications and is already strongly entrenched amongst the foremost Milling Companies in Canada.

The Mill is now running 24 hours per day and has orders in hand which, with new business being booked daily, should keep it busy throughout the season. Its future record will equal the best.

The Preferred Stock being the Senior Security of the Company, the investment is safe; and the Common Shares given as a bonus should become very valuable.

Write for Prospectus and full information.

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NEWS OF THE BOND MARKET

How Life Companies Choose Securities For Investment

Dominion Act Regulates Classes of Securities—But Individual Selection of Investments Counts for Much

There is much of value here for the individual investor. Insurance companies exercise great discretion in investing. Many of them confine their funds to government and municipal bonds, but others buy heavily of different securities—industrial, railway and utility bonds and stocks. The safeguards demanded are worth study by those who seek sound investment methods.

Those responsible for investing the funds of life insurance companies in Canada have been giving a place of precedence of late to long-term bonds, and these will play a large part in their choice of investments so long as long term bonds of good yield are available. Just how large a part may be judged when it is estimated that the life companies of Canada have available nearly $50,000,000 a year for new investment. Of course, those companies that invest in mortgages are turning in that direction more than of recents years.

The reason for this preference is a perfectly natural one. On consulting financial experts they have found unanimity in the opinion that interest rates are in for a long and steady decline for a number of years to come, with a few increases possibly as due to temporary conditions only. As one life insurance official expressed this: "Our one aim and object at the present time is to secure as many long-term investments as possible, in order that we may pass over the period when rates of interest will have reached their low point. Thus when we are entering the market for securities in large volume we will be able to obtain a fair yield when the reaction has spent itself and the chart shows a rising rate."

LIFE INSURANCE CO'S. CHART OF BOND YIELDS

	Provincial	Municipal
1910	3.90%	4.37
1911	3.95	4.50
1912	4.12	4.87
1913	4.40	5.75
1914	4.31	5.06
1915	4.80	5.50
1916	5.00	5.50
1917	6.20	6.30
1918	6.10	6.50
1919	5.15	5.50
1920	6.07	6.37

How Interest Rates Rose and are Falling

In a chart that was compiled by the investment department of a life company two sets of averages were given, one that of provincial bonds between 1910 and 1920 and the other municipal bonds, showing how the interest yield on these bonds grows continuously until it reached a high of 6.10 per cent. in 1918, then dropped [illegible] 1919 and was up again to 6.07 in 1920 and declining again to the present level of about 5.50. Municipal bonds advanced from 4.37 in 1910 to a high of 6.50 in 1918 and then down to 5.50 in 1919 and up to 6.37 in 1920. Thereafter the decline set in. On all investments made by the companies during the past two or three years they will receive this higher yield. Just now they are anxious to secure fifteen or twenty or twenty-five or thirty or forty year investments around 5½ per cent., or 6 for other grades of bonds, on the assumption that the rate of interest will drop in the next few years to at least 4½ per cent. Now if they bought five-year or a large number of ten-year bonds these might be maturing just at the time when interest rates were at their lowest point, and thus they would be compelled to load up with investments that would bring only about 4½ per cent. Instead of that if they invested in twenty-year or thirty-year securities, interest rates might be on the up grade of the cycle when the time to reinvest came around.

Investment in Dividend Stocks

The Dominion Insurance Act of 1917 as a result of the previous enquiry went more fully into details in regard to certain types of investments that life companies had no authority to make. The clause is quoted in full in connection with this article. Briefly it permits investment in Government bonds or debentures or other securities that are guaranteed by Governments and also in bonds secured by a mortgage of a company. In the case of "debentures" which although commonly used in the sense of bonds are taken by the Act to mean bonds that are not secured by a lien on assets, these can be purchased only where a company has paid regular dividends on its preferred or common stocks for at least five years immediately preceding the date of investment. In the case of preferred stocks no investment can be made unless the company has paid regular dividends on the preferred or common stock for at least five years. A change is made in the case of common stocks to include only those where regular dividends of at least four per cent. have been paid for seven years next preceding purchase of such stocks.

Few Common Stocks

It follows then, that very few stocks of any kind are taken for investment by life companies and particularly few common stocks. In general only such stocks are ever considered as belong to a company that has been in business for a long period of years and is of proved strength, and also has shown satisfactory earning power in good or bad times. Moreover, the company must have built up a very satisfactory surplus from which dividends may be drawn on for a time if the earnings in unfavorable business conditions should prove insufficient.

Public Utility vs. Industrial

As a rule public utility companies appear to be regarded more favorably than the usual industrial, probably on the theory that the former has a production in the form of service or commodity that is a necessity for the public, and frequently involves a monopoly. In some cases the reorganization of a company, or the re-naming, or a change in the number of shares of stock outstanding, commonly known as "the splitting" of the stock makes a break, technically, in the dividend history of the company, and although the old company may have paid dividends regularly for ten or twenty years or more, strictly speaking a "new" company has been brought into existence and thus made it illegal for a life company to invest as it has not paid dividends for five or seven years as the law demands. In such cases arrangements are sometimes made for the company to continue to hold the securities in question for at least a limited period.

It may be taken for granted that life companies will continue to hold large quantities of Victory Bonds not only because they, in common with most large institutions, invested as liberally as possible in these for patriotic reasons during the war, but because of their providing for those who are carrying them from a lower price up, quite as high a yield as the best Provincial or municipal bonds would give to-day. Provincial and municipal bonds naturally will also be held in huge amounts. Then there will be a certain number of industrial bonds of companies that fulfill the standard conditions outlined above.

Bonds vs. Stocks

Just here an interesting point might be introduced in regard to a distinction between bonds and stocks. Insurance companies have purchased common stocks where these existed without any prior claims on earnings as there have been no bonds or preferred stocks outstanding. Such a purchase, in a strong company, has attractions all its own. It has happened more than once, however, that the requirements of working capital have compelled companies to make subsequent issues of bonds or preferred stock, and the moment this is done the common stock drops to an inferior position. Before it was practically a creditor like a bond is; afterwards it became merely the owner of the property subject to all its ups and downs and to the prior claims of preferred creditors like the bond holders.

One of the working theories of those who are in charge of the investment of life funds is the necessity for a considerable diversity of securities. The maxim against all "the eggs being kept in one basket" applies here very pointedly. Hence there is a variety of bonds in Dominion, Provincial, and municipal covering wide areas; and in public utility and industrials also varied, although of course within much more restricted limits.

Against "Premium" Bonds

Another point that comes up naturally in these days when a number of bonds, issued a year or two ago, when interest rates were higher, have now gone to a premium, is the attitude of life companies investors towards premium bonds. In the main it is not particularly favorable. Take a provincial 6 per cent. issue that was made possibly below par but has risen to 103 at the present time or even higher, or take the 1937 Victory Bond now selling around 105, the insurance company finds itself at once in a difficulty. It receives its 5½ or 6 per cent. interest but must look forward to the date of maturity when the Dominion or Provincial Government or the municipality will pay only 100 that is par. Therefore the insurance company must deduct from each interest payment a certain percentage to cover the loss of three or five points or more which it must take at date of maturity. It may well be, and is almost certain to be the case with Victory Bonds of a long-term character, that the market price will advance several points beyond the 103 or 105 which the company paid for the bonds, but the purchase was made on the theory that the securities would be held to the time of maturity rather than carried for a few years in order to sell again when the price has risen a few points. In other words, the purpose of purchase was not to gain the amount of appreciation the bonds might show in a few years but to receive a steady and reliable return on the money invested for the life of the security.

Investments in Mortgages

Another source of investment for life insurance funds is in real estate mortgages. The law on the subject permits this provided that "the amount paid for any such mortgages shall in no case exceed 60 per cent. of the value of the real estate covered thereby." A large portion of companies' funds in normal times are invested in real estate, but rarely beyond 50 per cent. of a fair valuation of the property and often not exceeding 40 per cent. Companies in western Canada have a tendency to invest a much larger portion of their funds in farm mortgages than those in the East. It is indeed, a theory that the funds of life companies should be available for real estate mortgages in order to help building developments or agricultural activity.

Bond Sales in March Totalled $25,822,054

New bond issues by Canadian Municipalities, provinces, railways and corporations totalled $25,822,054, somewhat over February's total. There was only one provincial issue in all February and March.

The record is as follows:

Municipal	$2,842,054
Provincial	2,250,000
Corporation	9,730,000
Railway	11,000,000
	$25,822,054
Not included above, foreign	$6,000,000
Year to Date	
January	$27,551,582
February	17,277,940
March	25,822,054
	$70,651,576

$600,000 BONDS OF PROVINCIAL PAPER

United Financial Corporation Offering at 94 to Yield 6.60 Per Cent.

From Our Own Correspondent

MONTREAL. — An offering of $600,000 of 6 per cent. first mortgage gold bonds of the Provincial Paper Mills is being made by the United Financial Corporation this week. The issue is offered at 94 and accrued interest, giving a yield of 6.60 per cent. These bonds are dated May 1, 1920, and are due May 1, 1940, with principal and interest payable in New York as well as in Montreal and Toronto. The proceeds of the issue will be used to complete the construction at Port Arthur, next to the sulphite mill of the Company, of a new paper mill, and install one paper machine. With the present issue the Company will have a total of $1,105,000 of first mortgage bonds outstanding. The fixed assets of the Company exceed $5,300,000 while the net working capital is $1,700,000, the total being over six times the amount of the bonds. The Provincial Paper Mills manufacture bond, writing, book and coated papers and have in operation at Thorold, Georgetown, Mille Roches and Port Aruthur, six paper machines, six coating machines and one sulphite pulp plant, the latter of whose production is 60 tons per day. Timber limits under a long term lease amount to 1,224 sq. miles.

ISSUE OF $1,374,500 WAYAGAMACK CO.

Syndicate Offers First Mortgage Bonds to Yield 8 Per Cent.

From Our Own Correspondent

MONTREAL.—In order to provide a working capital after wiping out the cost of the two new paper machines installed last year, with other extensions, the Wayagamack Co. is issuing next week the balance of 6 per cent. first mortgage sinking fund gold bonds remaining in the treasury to the extent of $1,374,500. The underwriting has been done by a syndicate composed of Rene T. Leclerc, R. A. Daly & Co., R. C. Mathews & Co., McLeod, Young, Weir & Co., and George Beausoleil & Co., and the offering will be made next Monday at 77.50 and interest which will give a yield of 8 per cent. These bonds rank equally with the outstanding issue of $3,500,000 and will be listed along with these on the Montreal Stock Exchange. The total assets of the company are given as $12,306,000 and the average annual net earnings for the past five years amounted to $1,054,464 or three and one half times the interest on the complete bond issue. The company owns 2,056 square miles of timber limits and has an annual output of 78,000 tons of kraft pulp and 39,000 tons of kraft paper and 20,000,000 feet b. m. of lumber.

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Denominations $100, $500, $1000.
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R. A. DALY & CO.
BANK OF TORONTO BUILDING
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First Mortgage Bonds
With a bonus in common stock
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The debentures will carry a substantial bonus in common stock.
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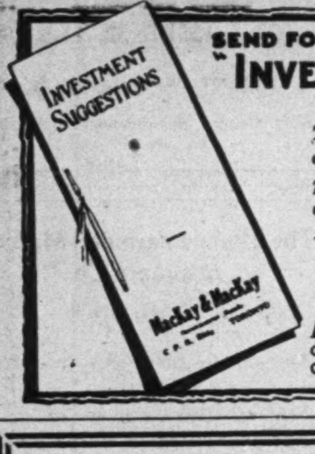

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We offer
Canada Flour Mills Company, Ltd.
8% Cumulative Preferred Shares
PRICE—$100 per share, carrying a bonus of two shares of common stock (par value $10 per share), also the privilege of buying two extra shares of common stock at $5 per share with each share of preferred purchased.
Earnings for the six months ending February 28th, 1922, after allowing for bond interest, sinking fund and preferred dividends, show profits at the rate of over 25 per cent. per annum on the common stock.
The capitalization of this Company per barrel of output is lower than the average of the four largest Canadian flour milling companies.
This business has been established at Chatham, Ont. for over 40 years, and the Company has the largest cornmeal milling plant in Canada.
Over three-quarters of this issue has already been sold
Write for Descriptive Circular
RICE, GIBSON & COMPANY
McKINNON BUILDING : : TORONTO

BANKERS SHOULD LEAD THOUGHT IN THIS HECTIC AGE

(Continued from page 9)

thing, but the reading of serious books is too much crowded out by it.

"With the disappearance of the old type of logical thinking based on documentary authority, with the multiplication of subjects for the public to think about, with the rapid crowding of one event upon the heels of another, which the daily newspaper, the telegraph, and the cable have brought, and above all with the coming of the moving picture, which brings before the mind a series of rapidly shifting images, but leaves little time for reflection upon any of them, American public opinion has become much more formless, inchoate, and undependable than it used to be in the days when men had firm, clear, and lasting convictions upon a few fairly simple topics of thought.

"Public opinion today is rather illustrated by a story I got from a friend who had been down in Arkansas. He was going through the hickory woods when he saw a lot of hogs rushing back and forth, in one direction and another, following one leader and then another, never getting anywhere, hollow-eyed and gaunt. He watched them a while and then he passed on farther and came to a clearing. In the midst of the clearing standing by a solitary hickory tree he saw a man whom he supposed to be the owner of the hogs. He called out, but the man did not answer. He went up to him and asked what was the matter with the hogs. The man whispered: 'You see, I've lost my voice. I used to call those hogs at feeding time, but after I lost my voice I used to beat on this tree with a stick. They would come at feeding time. This worked all right till spring came, but then the woods got full of woodpeckers, and those hogs have gone crazy.'

"We must restore a logical backbone to public opinion. We must rebuild authority. It will be a less dogmatic authority than used to obtain. Men cannot be so confident about their solutions of difficult present-day problems as they used to be about their solutions of the simpler problems of earlier problems of earlier generations. The public will be more critical of its authorities than it used to be and will demand more evidence from them than it used to require in support of the soundness of their views. It is not a task for any single profession alone. Teachers, clergymen; journalists, lawyers, business men, men in public life, will all have their part in it.

"I propose the banker as one of the most important leaders of public opinion in the coming decades. And I propose that the banker shall train himself as very many bankers now are training themselves every day. The coming banker should be prepared, better than the existing banker, particularly in the matter of public questions affecting business and affecting the economic legislation of the country. It means that he must theorize. He must know his economics. He must be able to analyze cause and effect.

CIVIC AND PROVINCIAL FINANCE

EDMONTON ISSUE OF $1,000,000 ON THE MARKET SOON

City Gets Credit of $3,000,000 From Its Bankers

BOND SALES OF WEEK

The Imperial Bank of Canada has given the city of Edmonton a credit line of $3,000,000 with which to meet its current needs. The advisory board of the bank, in recommending acceptance of the application, pointed out the improved financial condition of the city, which it recognized as due in large part to conservative handling by the present civic administration.

Further easing of the financial situation will result from the sale of over $1,000,000 of Edmonton bonds under the refunding scheme. These are being handled by the Wood, Gundy Company, of Toronto, who will probably make the offering within the next few weeks. The proceeds will be used by the city sinking fund in buying Edmonton ten-year debentures.

Alberta's $3,000,000 Sale

Alberta has disposed of $3,000,000 of 5½ per cent. 30 year bonds, which were offered in New York this week to yield 5.30 per cent. The offering syndicate was composed of Dillon, Read & Co., Continental and Commercial Bank, Blyth, Witter & Co., Wood Gundy & Co., A. E. Ames & Co., and Dominion Securities Corp.

A Bowmanville Issue

Bowmanville, Ont., has sold $65,000 of 6 per cent., 20 instalment bonds to Wood, Gundy & Co., at 102.53, a 5.73 per cent. basis.

Tenders were:

Wood, Gundy & Co.	102.53
T. S. G. Pepler & Co.	102.425
National City Co.	102.14
Municipal Bankers	102.07
A. E. Ames & Co.	101.88
A. D. Morrow & Co.	101.845
Bell, Gouinlock & Co.	101.60
Canada Bond Corp.	101.56
R. C. Matthews & Co.	101.53
McLeod, Young & Weir & Co.	101.29
A. Jarvis & Co.	101.11
C. H. Burgess & Co.	100.75
Sun Life Assurance Co.	100.58
Wm. C. Brent & Co.	99.43

Timmins' Private Sale

Mackay-Mackay have purchased $64,625 of 7 per cent. 15 instalment bonds from Timmins, Ont., by private negotiation.

Miniota Issue Sold in 'Peg

Bonds of the rural municipality of Miniota, guaranteed by the Province of Manitoba have been bought by Emery & Anderson of Winnipeg. The issue includes $86,000, 5½ per cent. 30 instalments and $9,000 5½ per cent. 20 years. The price was 98.78, the funds costing 5.60 per cent.

Tenders:

	$86,000 30-instal. 5½%	$9,000 20-year 5½%
A. E. Ames & Co.	98.813	98.813
Emery & Anderson	98.78	98.78
Canada Bond Corp.	98.41	98.41
R. C. Matthews & Co.	98.35	98.85
Strong & Snowden	.....	98.28
Wood, Gundy & Co.	98.23	97.36
Clifton C. Cross & Co.	97.77	97.60
Bond Debenture Corp.	97.72	98.53
Edw. Brown & Co.	97.43	97.43
Dominion Loan & Sec.	96	96

Etobicoke Township Bonds

Wood, Gundy & Co., have purchased $30,000 of 6 per cent. 20 year bonds from Etobicoke Township, Ont., at 103.18. The tenders were:

Wood Gundy & Co.	103.18
A. E. Ames & Co.	103.155
C. N. Burgess & Co.	193.08
Canada Bond Corp.	102.85
R. C. Matthews & Co.	102.84
Bell, Gouinlock & Co.	102.60
Dyment, Anderson & Co.	102.594
Municipal Bankers Corp.	102.59
Mackay-Mackay	101.74

Many Bids For Norfolk Issue

Canadian Bank of Commerce bought $100,000 of 5½ per cent. 20 instalment bonds from the County of Norfolk paying par for the issue.

Tenders were:

Bank of Commerce	100
Imperial Bank	99.786
Wood, Gundy & Co.	99.69
A. Jarvis & Co.	99.64
Dominion Sec. Corp.	99.583
Macneill, Grahame & Co.	99.57
Housser, Wood & Co.	99.54
Municipal Bankers Corp.	99.49
A E Ames & Co	99.34
National City Co	99.32
Harris, Forbes & Co	99.319
Canada Bond Corp	99.31
Dyment, Anderson & Co	99.27
W C Brent & Co	99.17
H C Monk & Co	99.06
C R Clapp & Co	99.05
Nesbitt, Thomson & Co.	99.03
Bell, Gouinlock & Co.	99.
C. H. Burgess & Co.	98.83
McLeod, Young, Weir & Co.	98.79
Can. Bebenture Corp.	98.68
Morrow & Jellett	98.53
Sterling Bank	98.44

Verdun, P. Q., has sold $175,000 of 10 year 6 per cent. bonds, issued by the Roman Catholic School commission to the Dominion Securities Corporation at 100.71, a 5.90 cost basis.

Tenders were:

Dominion Securities Corp.	100.716
Rene T. Leclerc	100.53
Versailles, Vidricaire & Boulais	100
Beausoleil, Ltd.	100
A. E. Ames & Co. and Hanson Bros.	99.489
Municipal Debentures Corp.	99.25

An issue of $176,500 of 6 per cent. 20 year bonds of the municipality itself, payable in New York, brought 104.713 from Nesbitt, Thomson & Co.

The bids were:

Nesbitt, Thomson & Co.	104.713
Miller & Co.	104.671
(N. Y. funds)	101.565
McLeod, Young, Weir & Co.	104.2195
Wood, Gundy & Co. for $50,000	103.44
for 126.500	103.37
Dominion Securities Corp.	103.29
Hanson Bros.	103.27
A. Jarvis & Co.	103.23
A. E. Ames & Co.	102.067
Beausoleil Ltd. and Macken- & Kingman, for $50,000	101.75
for 126,500	101.73
Credit Canadien and Municipal Debenture Corp.	100

Sudbury Sells Issue

Sudbury has sold $139,418 of 5, 10 and 20 instalment 6 per cent. bonds to Wood, Gundy & Co., at 98.44 a 6.27 per cent. basis.

CAN. PAPERBOARD BONDS ARE OFFERED

Total of $800,000 in Issue to be Made by Canadian Debentures Corporation

Offering will be made next week by the Canadian Debentures Corporation of $800,000 of 7 per cent. first mortgage bonds of the Canadian Paperboard Company, due in fifteen years.

The company, it is stated, is the largest manufacturer of paper board in Canada with mills at Campbellford and Frankford, Ont., and Montreal, P. Q. Fixed assets are shown in the balance sheet at $2,073,121 or two and one half times the present issue—which is part of an authorized issue of $1,500,000—and earnings for the past four years have totalled $707,648 which is at an annual rate of about three times interest on this issue. Provision is made for a sinking fund to retire the issue.

The directors of the company are J. G. G. Kerry, consulting engineer, Toronto, president; J. R. Walker, Montreal, vice-president; J. A. O'Brien, Ottawa, Hon. E. D. Smith, Winnona and David F. Robertson, Montreal, general manager.

1922 TAX RATES

Ingersoll, Ont.	41 mills
Hamilton, Ont.	35 mills
Almonte, Ont.	33 mills
Guelph, Ont.	31 mliis

TENDERS AND BY-LAWS

TENDERS WANTED

April 8, Wainwright.—$6,000, 6½ per cent., maturing 1929; $4,000 15-year 7 per cent. debentures. H. Y. Pawling, sec.-treas., Wainwright, Alta.

April 10, Edmonton—$870,000, 30-yr. 6% debentures. C. J. Yorath, City Commissioner.

April 10, Hull, Que.—$76,000, 5½ per cent. 15 year debentures; $62,000, 5½ per cent 30 year debentures. H. Boulay, City Clerk.

April 10, Alliston—$25,000, 6%, 25-year High School debentures; $15,000, 6%, 30-year Public School debentures. J. E. Addis, Town Clerk, Alliston, Ont.

April 11, Fort Garry, R. M. Man.—$47,000, 6 per cent. 30 year debentures. H. De Moissac, sec.-treasurer, Fort Garry P.O., Man.

April 17, Township of Calvert, R. C. School.—$15,000 6 per cent., 20-year debentures. A. Pelletier, secretary, Board of Trustees of Roman Catholic Separate School, Township of Calvert. (See announcement on page 16.)

May 18, Prince George, B.C.—$44,000, 6 per cent, 10 and 15 years. D. G. Tate, city clerk and treasurer. (See announcement on page 16.)

LETTERS TO EDITOR

GRAND PRAIRIE'S POSITION

The Editor, Financial Post.

Sir,—In view of criticism which has been levelled at the financial condition of certain Western towns, and the well-known antipathy existing among the investing public of the East towards the bonds of all Western municipalities, would you permit the writer to draw attention through the columns of your valuable paper to certain features relating to bonds now being offered by Alberta municipalities, and more particularly to the town of Grand Prairie, which is now offering $18,500 in fifteen year seven per cent. debentures?

In the first place, it would be well to point out that in every single instance where an Alberta town has made default in debenture payments it has been in respect to debentures issued prior to the establishment of the Board of Public Utility Commissioners, whose sanction must now be secured to the incurring of bonded indebtedness. The duties of this body in respect to the issuance of debentures are two-fold; first, for the protection of investors and the consequent good name of Alberta municipalities, to thoroughly investigate the financial ability of the town concerned to meet the obligation to be incurred, and; second, to protect ratepayers of future years against the burdens imposed by unwarranted expenditures. The thorough carrying out of the duties for which, in part, the Board was created, is manifested by the exceedingly small percentage of applications which the Board has, after investigation, seen fit to grant.

From the foregoing it would seem that the offerings of any town of the province of Alberta are worthy of the favorable consideration of the investing public and of investigation on its individual merits.

With particular reference to the town of Grande Prairie, the following is submitted:

The town is the financial, judicial, wholesale distributing and educational centre of the extensive Grande Prairie District, which has become recognized as one of the best mixed farming areas in all of Canada, a district containing twenty thousand square miles of arable land in which a crop failure has never been experienced. The following figures relative to the town's financial standing are self-explanatory: Assessed valuation $1,348,480, made up as follows: Land, $697,800; buildings, $651,040; exempted buildings, (public) $90,400; bonded indebtedness, including present issues $39,850 (3 per cent. of the assessed valuation); all issued on annual repayment basis; capital assets $60,796; revenue surplus $6,040.97; tax rate for municipal purposes, year 1920, 34 mills; 1921, 16 mills; 1922 (subject to final adoption,) 10 mills.

With reference to the enforcement of payment of taxes, the town first took action under the Act in the year 1918 and finally acquired title to all properties remaining in arrears. Titles so acquired covered between two and three hundred lots. These were offered for sale and were entirely disposed of, the town realizing over $4,000 over all taxes and costs, of which sum $1,068.94 still lies in trust for the original owners in the Union Bank here, unclaimed. Last year the town secured no titles under the Act for the reason that a six months stay of proceedings was ordered by the government throughout the entire province.

Land assessments conform to actual cash values as nearly as the same can be determined. Instances have occurred where properties have sold at a fraction of the assessed valuation, but likewise instances have occurred where the assessed valuation has represented but a fraction of the price realized on subsequent sale. Assessments on outlying subdivided property have been reduced to where the value does not exceed the valuation applicable were the subdivisions returned to acreage. The tax rate will compare favorably with that of any municipality in the Dominion, and the decline therein in each of the last two years, as shown, is sufficient to demonstrate that the administration has not been backward in effecting economies in keeping with the times in which we live.

The other statistics furnished indicate such a financial condition as would make the debentures now offered an attractive investment.

TOWN OF GRANDE PRAIRIE,
F. Fitzallen, Sec.-treas.

CONSOLIDATED SMELTERS

For the third week of March ore receipts at Trail Smelter amounted to 11,062 tons. The total from January 1 to March 21, was 99,324 tons, 97,238 tons of which were produced by the company's mines and 2,086 tons by other mines.

BOND MOVEMENTS OF THE WEEK

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High	Range 1921. Low.	Range 1922 High.	Range 1922 Low.	Latest Price Week Ending April 4. Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.70	100	73	100	76	—	81	81	—
Bell Telephone	5	1925	6.07	93½	91¼	96½	94	—	96¼	96¼	—
Can. Cement	6	1929	6.47	95	89	98⅜	94	—	95	97	—
Cedar Rapids	5	1953	5.32	97	86	97½	94	95¾	95½	95	—
Dom. Canners	6	1940	6.57	87½	86	93¾	93½	—	92	93¾	93½
Elect. Develop.	5	1933	5.45	95	90	96	94½	—	96	96	—
Lyall Cons.	6	1932	9.32	86	63	79	75	—	75	76	75
Montreal Sep. '23	6	1923	6.40	100	97¾	102	97½	—	99¼	99¼	—
N. S. Steel	5	1959	6.13	76¾	69¾	83½	78½	—	80	83½	—
Ontario Steel	6	1943	6.78	87½	87½	91	—	93	90	91	—
Penman's	5	1926	6.65	89½	85	93	90	93	92½	93	91
Quebec Rly	5	1939	8.30	68	59	69	63½	—	65	69	65½
Sao Paulo	5	1929	7.70	82	70	84	80	83½	83	84	—
Steel of Can.	6	1940	6.23	98¼	88½	99	97	99	98	98	97½
Wabasso	6	1947	6.39	85	82	96	85	95½	—	96	95
Wayagamack	6	1951	7.98	78¼	69½	79	71¾	78	77¼	78	77¼
War Loan (1925)	5	1925	5.55	96.00	92.00	98.50	96.10	98.25	98.00	98.10	97.75
Do., (1931	5	1931	5.20	96.60	90.05	98.80	96.25	98.50	98.25	98.55	98.15
Do., (1937)	5	1937	4.92	102.50	94.50	101.50	99.50	101.00	100.75	101.00	100.20
Victory (1922)	5½	1922	5.55	99.55	96.62	100.00	99.10	100.00	99.90	100.00	99.65
Do., (1923)	5½	1923	5.55	99.50	95.50	100.00	98.75	99.95	99.90	99.95	99.25
Do., (1924)	5½	1924	5.59	98.50	94.25	99.85	98.00	99.80	.....	99.80	99.40
Do., (1927)	5½	1927	5.32	101.00	95.25	102.70	99.75	101.00	100.90	101.00	100.70
Do., (1933)	5½	1933	5.15	101.80	95.12	103.50	101.25	103.15	103.10	103.20	102.75
Do. ,(1934)	5½	1934	5.46	99.43	92.25	100.60	98.80	100.35	100.30	100.40	100.10
Do., (1937)	5½	1937	5.02	104.00	96.50	105.50	103.30	105.40	105.25	105.50	105.00

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Mar. 30	Norfolk County	Can. Bank of Commerce	5½%	20 in.	$100,000	100	5.50
Mar. 30	Winnota, Man.	Emery and Anderson, Winnipeg	5½%	20&30 in	95,000	98.78	5.60
Mar. 30	Ford R. C. Schools	Geo. Carruthers & Son	6 %	30 yrs	80,000		
Apr. 3	Etobicoke Tp., Ontario	Wood, Gundy & Co.	6 %	20 yrs.	30,000	103.18	
Apr. 3	Timmins, Ontario	Mackay & Mackay	7 %	15 in.	64,625		
Apr. 3	Verdun Schools, P. Q.	Dominion Securities Corp.	6 %	20 in.	175,000	100.71	5.90
Apr. 3	Bowmanville, Ont.	Wood, Gundy & Co.	6 %	20 in.	65,000	102.53	5.69
Apr. 3	Verdun, P. Q.	Nesbitt, Thomson & Co.	6 %	20 yrs.	176,500	104.713	*
Apr. 5	Sudbury, Ont.	Wood, Gundy & Co.	6 %	5-20 in.	139,418	98.44	6.27
		PROVINCIAL					
Apr. 4	Alberta	Dillon, Read & Co. Syndicate Corp.	5½%	30 yrs.	3,000,000		*
		CORPORATION					
Apr. 7	Can. Paperboard Co.	Canadian Debenture Corp.	7 %	15 yrs.	800,000		
Apr. 7	Provincial Paper Co.	United Financial Corp	6 %	20 yrs.	600,000		
Apr. 7	Wayagamack Co.						
Mar. 23	Can. General Electric	Guaranty Trust Syndicate	6 %	101	5,000,000		*
Apr. 5	Provincial Paper Co.	United Financial Corp.	6 %		600,000		

*Payable New York.

Diversified Investments
The proper diversification of investments is a matter which should engage the serious attention of the investor. Select such issues as will give most substantial return with the greatest average degree of safety.
We can help you. Let us send you our suggestions.
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An attractive offer of
$43,000 City of Saskatoon
(School District)
Denominations $1,000
Interest payable annually on Oct. 1st at Toronto, Montreal, Saskatoon. Maturing—$7,000 each year 1933 to 1938. 5% Bonds at a price to yield
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Review Your Holdings
As NEW developments continually cause fluctuations in prices you should be able to visualize the present value of your securities to have the assurance of knowing where you stand. True efficiency, also, demands that at regular intervals you submit your holdings to expert analysis.
We gladly offer you this service.
JOHN STARK & Co
Established 1870 — Members Toronto Stock Exchange
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THE CANADA TRUST COMPANY
Province of Saskatchewan
4% Bonds
Due 1st January 1949
Price 80.22 and Interest
Yielding 5.40%
CANADA TRUST Co.
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HUME CRONYN — J.R. MITCHELL
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8% and Safety
We can offer the 20-year 8% Sinking Fund Gold Bonds of an established Ontario Company, having fixed assets of over 150% and liquid assets of over 75% back of them. Earnings have been exceptionally satisfactory.
We strongly recommend these bonds, offering as they do, an attractive yield for a long period of years.
Send for particulars.
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MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
Assets - $130,000,000
Sun Life Assurance Company of Canada
Head Office: Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

MUTUAL PROGRESS — MUTUAL PROSPERITY
NINETEEN TWENTY-ONE—the fifty-second year in the history of the Mutual of Canada—will be ever memorable on account of the exceptional success attending the company's operations. The expense ratio decreased: the average interest rate increased, the mortality was amazingly light—three features which combined to give the policyholders surplus earnings unequalled in the experience of the company. The assets increased to $46,211,204. An amount more than sufficient by $5,790,520.70 to guarantee all claims. This surplus has been allotted to various funds, all of which are **Policyholders' Funds.** Nearly 100,000 policyholders and their families share in the $228,000,000 of protection afforded by Mutual Co-operative effort. The company is increasingly popular because it offers its policyholders "The largest amount of sound life insurance for the least possible outlay."
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
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Big Business Men
are firm believers in **Life Insurance** because it furnishes **Protection** for the **Home, Security for Investments** and establishes **Financial Credit.**
The Dominion Life
(FOUNDED IN 1889)
is a **Strong, Progressive Company,** standing high in the esteem of its policy holders and the general public, and it issues policy contracts suited to the needs of all classes.
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UNION INSURANCE SOCIETY OF CANTON
LIMITED
Established 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00
Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

The Southern Loan & Savings Company
ST. THOMAS, ONT.
BALANCE SHEET AT 31st DECEMBER, 1921

LIABILITIES		ASSETS	
To the Public:		Office Premises $27,973.87	
Deposits and Accrued Interest ..	$552,455.12	Less Written Off 973.87	
Debentures and Accrued Inter.	801,826.16		$27,000.00
Retained to pay Prior Mortgage	2,606.20	**Mortgages:**	
	$1,356,887.48	Principal	2,217,352.49
To the Shareholders:		Interest Accrued	68,341.11
Capital	900,000.00	Loans on Company's Debentures and Government Bonds	18,021.83
Reserve	300,000.00	**Bonds and Debentures:**	
Dividend No. 87 and Bonus	36,000.00	Imperial War Loan	800.00
Balance Forward	14,041.20	Dominion of Canada Victory Loans	202,945.72
		Province of Ontario	10,050.97
		Ontario Counties and Cities	36,279.47
		Cash in Chartered Banks	16,256.53
		Cash	9,880.56
	$1,250,041.20	J. W. STEWART, Manager.	
	$2,606,928.68		$2,606,928.68

Extract from President's Report

The net profits (including $14,543.18 brought forward from the previous year) were $93,015.07, which have been appropriated as follows:

Paid Dividends (6 per cent.) and Bonus (1 per cent.)	$63,000.00
Transferred to Reserve	15,000.00
Written off Premises	973.87
Balance carried forward	14,041.20
	$93,015.07

Geo. K. Crocker, President — **J. W. Stewart, Manager**

Reducing a dollar to its purchasing power in 1913, farm incomes in 1920 averaged only $543. Average incomes of all gainfully employed had a purchasing power of $850. The farmers underwrite the country's prosperity, but they cannot do it if mine and transportation wages are to still further reduce their purchasing power.

In an attempt to solve the very troublesome used-car problem Boston dealers have signed an agreement to standardize second-hand valuations at 58 per cent of the current list price for a car less than a year old, and 40 per cent. for a car less than two years old.

INSURANCE AND REAL ESTATE

SIMPLE EMPLOYEE PENSION PLAN BY LIFE INSURANCE

Is Development of Group Insurance Through Older Idea

The preference for the "flat" pension in place of one based on years of service or salary on retirement, or both, is strongly marked among workmen. The practices of trades unions, of course, fit in with this idea, where there is the uniform wage scale, regardless usually of length of service, or quality or quantity of work performed. In the main, probably, the idea is that the workman when he retires should have enough to live on, and keep his dependents from want, and that if this is guaranteed the average advantage of such a fund will be higher than one based on service or amount of wages.

This plan makes the estimates of the insurance company a simpler one. One of the chief difficulties, is the anticipation of "withdrawals" from the fund; the removal of men from the pay roll without carrying them —if they retired too early—the rights to the fund.

Where Employee Leaves

A rather difficult point to handle in connection with adjusting regulations has been the claim of an employee who may pay into the pension fund for a number of years and then decide to leave his employer. This difficulty did not apply to group insurance where the employer pays the full premium. It seemed unfair to tell the employee that all his payments must go for nothing. Even if he had paid a portion of the premium on the group insurance he at least was protecting his life under ordinary life insurance during that period and this protection was worth something. Pension insurance refers to a future period and carries no immediate advantage under ordinary conditions.

It has been found, however, that the attitude of the average employer was quite reasonable and that he did not attempt to use the pension fund benefits as a sort of club to induce the employee to continue in a service from which he wished to retire. Hence an arrangement is being made by which the pension service, as it is called, shall remain with the employee if he does resign and he may continue premium payments on his own account if he so desires. On the other hand if he does not wish to do so he still has a policy which has a surrender value as in the case of the ordinary insurance policy. It is clear therefore, that while the pension fund as administered by the insurance company will stand as an attraction to draw employees to firms where such a fund is in operation, it is not likely to be used nor will the insurance companies encourage its being used, to hold a man against his will if he desires to leave. A few employers took the narrower view but the great majority were broad-minded enough to recognize that the services rendered by an employee would be much more valuable if he did not feel that he was forced to remain for family reasons at some time in the future even if for personal reasons a change seemed an advantage. It may even be possible, when the pension fund insurance scheme becomes fairly general, for an employee to secure a transfer of his policy from one firm to another, with the approval and co-operation of the insurance company concerned.

While pension insurance looks to a benefit accruing after an employee retires, provision is made for some advantages from the policy in event of death before the pension age is reached. This takes the form of a death benefit paid to the family of the dead employee. In some cases a flat sum of $2,000 will be paid to an employee who comes in under the pension fund insurance scheme but dies before, where he has given at least five years of service. Even where he has been ten years or fifteen years with the firm it appears to be the general view that the same pension and not an increased one should be paid. This gets back again to the "Union Idea" of a flat wage scale and also to the theory that what is desired in such cases is a sufficient sum to tide over conditions of hardship. That is, the feeling of employees seems to be that they would prefer all over five years' service to receive $2,000 and no one more than $2,000 rather than have the five year man's death call for say $1,000 and the fifteen years' service $3,000.

Provision is also made for a pension to come into effect where a man becomes disabled permanently before his pension age has arrived.

Taxpayers to Pay For Housing Scheme

From Our Own Correspondent

LONDON.—The Housing Commission is making every effort to unload the 36 homes that were built by borrowed money. No reasonable offer will be refused now it is stated. The Commission and the taxpayers have more than their fill of the housing scheme. It was stated to FINANCIAL POST that recently nine tenants who have been renting Commission homes moved out quietly without paying their rent or without even notifying the Commission of their departure. Just what the general loss to the taxpayers is going to be it is impossible yet to state but it will be heavy.

Northwestern Mutual Makes Good Showing

The outstanding feature in the annual statement for 1921 of the Northwestern Mutual Fire Association, of Seattle, Washington, is the fact that over $855,000 unabsorbed premium income was returned to policy-holders. Last year was first time that this company operated throughout Canada, previously operations had been confined to the Province of British Columbia.

The amount of premium income secured totalled over $440,000. Admitted cash assets at $1,959,892 show an increase of $196,457 over the 1920 figures. The cash surplus has been increased by $39,906 to the sum of $546,562. Gross premium income stands at $3,882,301 and the cash dividends paid to policyholders total $855,247. Total liabilities, except unearned premiums and surplus, amount to $213,653 and the assets held for the protection of policyholders stand at $1,959,892.

The Northwestern operates the insurance service of the Retail Merchants' Association of Canada, through its retail merchants underwriters' agency.

Building Activity Checked by High Cost

From Our Own Correspondent

LONDON. — While there is a large volume of building under way here and architects' offices are filled with work, there is a still larger volume that is being held because prospective builders feel that they will be able to build more cheaply later. This situation centres around labor costs. While slight reductions have been made by many artisans they are not such as to materially affect estimates. Many of those who are building are those who have sold their homes and now find they cannot procure others at anything like the prices they sold for, newcomers to the city and citizens who are tired of paying high rents for homes that are not suitable.

There is not a small reasonably priced home to be had for rent in the city and very few to be purchased, in spite of attractive offers. Speculative building is conspicuous by its absence and real estate men and bankers in discussing the situation with THE FINANCIAL POST pointed out that the main causes for this are that there is no cheap money available and also that taxes are high.

Electrical Machinery Can Now Be Insured

One of the most recent innovations in the casualty insurance world is electrical machinery coverage. This line has been successfully sold in England for some years, and it is interesting to note that the Canadian policies are somewhat broader than the ones in the Old Country, while the rates are similar. The field for this insurance is almost unlimited in Canada.

The hazards insured against include almost every form of mechanical breakdown, including burnout, probably the most common cause of failure. Owing to the characteristics of each machine having a direct bearing on the risk involved, the determination of an equitable rate has been no small risk. For rotating machinery it is necessary to know the character of the current, whether d. c. or a.c.; voltage; capacity in horse power and speed. Non-rotating apparatus such as switchboards, rheostats, etc., are rated according to the amount of insurance required.

CHILDS AT LONDON

An important deal which is developing at London is for a location down town for a Childs restaurant. The owners of one of the finest business sites in the city have been approached by the Childs Company and negotiations are in progress.

LONDON BRIDGE COMPANY

London's latest industry, the London Bridge Company, which will be a branch of the Structural Steel Company of Welland, is to locate temporarily at least in Chelsea Green, in the old power house of the London and Lake Erie Transportation Company.

ONE YEAR'S PREMIUMS WERE $178,986,589

That Represents Total Insurance Premiums in Canada in the Year 1920

In considering the amount of insurance written in Canada, it should not be forgotten that there are numerous provincially incorporated companies, the record of whose business does not appear in detail in the Dominion government reports.

Take the business of life insurance for example. Dominion licensed companies and fraternals had a total of $2,859,783,798 net business in force at the end of 1920. This included $2,657,025,493 in the companies and $202,758,305 in the fraternal organizations. In addition there was $174,740,215 of life insurance in force in provincial organizations, all except $18,000,000 in fraternal societies. Net premium income on this business for the year was $3,282,669 and claims paid totalled $2,542,017.

Fire insurance in force totalled $5,969,872,278 in Dominion licensed companies and $1,054,105,011 in provincially licensed companies. Premiums received by Dominion companies were $50,527,937 and by provincial companies $2,971,453.

The total premiums in the three branches of insurance activity of the Dominion are as follows:

	Premiums	Losses	P.C.
1910	$18,725,531	$10,292,393	54.96
1911	20,575,255	10,936,948	53.16
1912	23,194,518	12,119,581	52.25
1913	25,745,947	14,003,759	54.39
1914	27,499,159	15,347,284	55.81
1915	26,474,833	14,161,949	53.49
1916	27,783,852	15,114,063	54.40
1917	31,246,530	16,379,102	53.42
1918	35,733,383	19,285,715	53.97
1919	39,914,398	16,642,172	41.7
1920	50,565,856	22,931,129	45.3

Plate Glass Losses Are Heaviest in the West

In keeping with past experience, companies writing plate glass insurance paid more claims throughout the Western Provinces than any other section of the Dominion. With the decline of approximately 25 p. c. in the cost of glass and no very severe storms being experienced many companies were able to greatly increase their business and show a fair margin of profit. In the West, large plates are often hard to get and on the other hand many dealers refuse to cut up large plates to supply the smaller plates. During the past year Ontario led with a decline of 25 p.c. in insurance rates, while the other provinces show a slightly smaller decline.

Plate Glass Insurance in 1921

Companies—	Prem.	Losses
Alliance Assurance ..	$ 9,280	$ 3,089
Canada Accident . . .	32,633	7,603
Canada Surety	15,319	4,203
Casualty Co. of Can..	51,961	12,598
Dominion Gresham . .	10,636	4,127
Dom. of Canada Guarantee & Accident..	47,418	10,253
Fidelity & Casualty ..	15,167	6,136
General Animals	27,427	9,485
Guardian Ins. Co. of Canada	18,453	3,355
Halifax Fire Ins. Co.	175	18
Hartford Accident ..	1,453	None
Imp. Guar. & Accident	8,062	3,580
Law, Union and Rock.	13,958	4,860
Lloyds Plate Glass . .	50,406	14,364
London & Lanc. Guarantee & Accident..	36,211	11,282
Maryland Casualty ..	12,130	4,625
Merch. & Employers.	19,018	10,367
Mount Royal	21,963	10,578
Nat. Prov. Plate Glass	24,007	8,169
N. Y. Plate Glass . ..	27,646	10,378
N. Amer. Accident .	37,902	8,994
Northern Assurance .	30,521	5,975
Norwich Union Fire ..	36,603	8,898
Ocean Accid. & Guar.	109,850	27,395
Railway Passengers ..	34,779	10,720
Travelers Indemnity..	10,243	1,779
U. S. Fidelity & Guar.	17,507	4,865
Yorkshire	18,340	6,309
Totals	739,068	213,955

METROPOLITAN LIFE

The Metropolitan Life Insurance Company reported in its annual statement that $1,564,789,607 new business was written during the past year, which constitutes a record. Of this amount the company placed more than $104,000,000 in Canada. The increase in assets was $134,669,937 and income was $301,982,699 or $38,462,919 more than it was in 1920. The total insurance now in force amounts to $7,005,707,839 making it the largest life insurance company in the world.

This company has investments in Canada amounting to nearly $71,000,000, which added to what has been paid in death claims dividends and administration expenses exceeds by $31,000,000 the amount of premiums received by the company from Canadian policyholders. The assets of the company now exceed $1,115,500,000 and there are 25,500,000 policies in force. Canadians hold more than 1,700,000 of the company's policies. Loans to policyholders total $74,907,125 and the payments to policyholders averaged $630.16 a minute of each business day of eight hours last year.

BRANCH AT BRANTFORD

Brantford is to have its branch of the new Provincial Bank along with other cities and towns including St. Catharines, Perth, Walkerton, Belleville, Owen Sound, Seaforth and Ottawa. These are to be opened shortly.

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Hail, Explosion, Riots, Civil Commotions and Strikes Insurance
Incorporated 1851
HEAD OFFICE. TORONTO, ONT.
Assets over - - - $7,900,000.00
Losses paid since Organization - - $81,300,000,000
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfrid M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - - $4,400,000.00
Losses Paid Since Organization, over - $50,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building, Winnipeg.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The Miniota Farmers' Mutual Insurance Co.
BEULAH, MAN
Amount of insurance in force, $50,000,000.00
Assets of over $800,000.00.
Agents wanted in unrepresented districts. Apply to
H. E. HEMMONS,
Sec'y-Manager.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED.
Trustees, Executors, Administrators,
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President and General Manager.
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Montreal.
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CANADIAN PACIFIC RAILWAY
Traffic Agents

NO RUSH TO GET SIX PER CENT. ON "SAVINGS ACCOUNT"

Rosy Promises Being Made by Winnipeg Building Society

A CO-OPERATIVE IDEA

Members Help Each Other to Acquire Their Own Homes and Cut Out the Profits of the Middle-men

From Our Own Correspondent

WINNIPEG.—The newly organized Peoples' Permanent Building Society is outbidding the Manitoba Government Savings office for public savings. "Why is it that you get so little for your savings from a bank and have to pay so much money when you want the use of it?" reads the literature of the Peoples' Permanent Society advancing its offer to allow 6 per cent. on savings.

"The Society for Savings," as the organizers characterize this enterprise is self-styled as "A Mutual Cooperative Association, incorporated to assist its members, firstly to acquire their homes by the payment of monthly instalments about equal to rent, and secondly, to secure for themselves, by eliminating the middlemen, the highest possible earning on their savings." Shares are $100; monthly dues $1 and entrance fee $1.

The Financial Post correspondent who stood and watched the artist put the gilt lettering of the society upon the newly acquired offices in the Confederation Building, Main Street, saw no extended queue struggling to get into this new headquarters of the "society for savings," to secure 6 per cent. upon savings deposits.

The officers and directors are announced as: Col. the Hon. L. McMeans, K. C., president; Fred J. C. Cox, vice-president; J. C. Kyle, treasurer; W. H. Coy, secretary; Jos. MacDonald, R. N. Lowery, Chas. Dure and A. J. Massie, directors, and J. S. Wood, sales manager.

W. H. Coy, founder and organizer offers $1,000 reward in substantiation of the following claim:

1. "That no investment could be safer than money invested in the Peoples' Permanent Building Society.
2. "That Peoples' Permanent Building Society provides absolute security for peoples' savings.
3. "That there is no safer form of savings institution in Winnipeg, and that the principle under which the Peoples' Permanent Building Society operates is as safe a place for people to deposit their savings as any bank or banking institution in the City or Province.
4. "That their interest rate on savings is much larger than that allowed by any bank or other banking institution in the City or Province.

"That their loan plan for Home Builders is better and more equitable the wage-earner and salaried man than can be obtained through any loan mortgage agency in the City or Province."

The Peoples' Permanent Building Society according to its own announcement is a mutual co-operative financial institution incorporated under the building society laws of Manitoba, and is composed of persons associating themselves for their mutual financial advantage. By this plan, members save money together; they lend their money to each other; they divide the profits with each other; they work together to help each other acquire homes and to build up the community in which they live. The society's rate on loans is stated to be 8 per cent.

A Shot At The Banks

At least a faint surmise of the promoters' opinion of the Canadian banking system is possible from the company's propaganda. "Why is it that the savings of the masses are not utilized for the benefit of the masses?" is one of the queries shot at the enquiring mind, and this is followed up with, "Is it necessary or expedient that a handful of middlemen should control and manipulate the savings of the people?" The society's circular continues:

"Do recent disclosures justify the common belief that a chartered bank is the bed-rock of security for the people's money, and that your savings are more secure and can be utilized to greater advantage by any private incorporation than under the common-sense management and pooled experiences of your neighbors and yourself in hearty cooperation.

"Lack of organized co-operative effort supplies the answer to all of these questions and explains why it is that those great proprietory financial institutions can carry on today with their costly administration, providing the tremendous rake-off that it does from the mere handling of the people's cash to a few banking barons and financial middlemen.

"To assist in correcting these conditions a new Co-operative Savings Institution incorporated as the Peoples' Permanent Building Society has been organized to aid its saving and borrowing members by the system of co-operation."

Joint Inspection of Insurance Companies

The Superintendents Will Cooperate as Between Various Provinces

Continuing the policy adopted at the Quebec Conference last September, the Ontario Department of Insurance has issued a schedule of the proposed joint inspection of the provincial licenses, including life insurance companies, fraternal societies, fire and casualty insurance companies. It is felt that while it is an important departure for the Department to make, it will tend toward greater co-ordination between the Government and the public generally. The resolution reads as follows:

"Resolved, that in cases where provincial insurance companies extend their operation to provinces other than that in wihch they have been incorporated, that at least one superintendent of insurance of a province in which the company is carrying on business shall co-operate with the superintendent of insurance of the home province in the annual examination of the affairs of such a provincial company, and that copies of the report of these examiners shall be forwarded to the superintendent of insurance of all the other provinces in which the company carries on its business and shall be accepted by those superintendents as a sufficient examination under its laws, unless there exists some special necessity for a further or other examination. The province in which the head office of the company is situated should take the initiative in fixing the appointment for the joint inspection."

MINIOTA FARMERS' MUTUAL

Business in Force Has Been Increased Over $6,000,000 in 1920

During the past year the Miniota Farmers' Mutual Fire Insurance Company, of Beulah, Manitoba, experienced a very satisfactory increase in business, despite the fact that the losses suffered were practically doubled. The ratio of losses for the past year at 222, compared with 1.37 of 1920. The actual losses were $102,649 as against $54,911 of 1920. The amount of risk has been increased from $40,122,540 to $46,165,890 during the past year. The expenses were materially reduced from $53,966 to $46,752 or in the ratio of 1.33 to 1.01.

The assets have been increased by $66,041 to a total of $797,947. Income, less rebates and reinsurance, was increased from $102,364 of 1920, to $121,286 for the past year. The general expenses have been reduced and the total sundry expenses for the year have been placed at $120,305.

The following tables show the comparative growth of this company for the past five years:

	Amt at risk	Tot. assets
1917	$22,563,487	$419,227
1918	25,511,518	468,774
1919	30,870,421	569,548
1920	40,122,540	731,906
1921	46,165,890	797,947

Touching on marketing conditions in answer to a question, Mr. Bell declared that co-operative marketing is basically sound and that it will ultimately prevail. Such organizations, to succeed, must be strong enough financially to guarantee prices, he said.

MONEY AND LABOR UNEMPLOYED IN GREAT BRITAIN

Lower Wages Necessary to Encourage Industrial Activity

AFRAID OF TAXATION

Immense Losses of Business Firms Also Makes Capital Seek Foreign Fields for Investment

By HERBERT N. CASSON
(Written for Barrons from London.)

There are nearly 2,000,000 unemployed men and women in Great Britain, while, at the same time there is an unparalleled surfeit of unemployed money in the banks—a most unique and serious situation.

"I have never known the banks to be so full of idle money," a London banker said to me yesterday. "In our five large banks we have a total of $8,000,000,000 in deposits, and an immense proportion of it is idle."

The total bank clearings in London last year were $175,000,000,000, yet merchants and manufacturers are finding themselves quite unable to obtain loans.

There are millions for government loans—hundreds of millions; but very little for trade and commerce. Any little tin-pot government at the ends of the earth, can come to London and borrow money, but British business men, at present, are on the black list of investors.

This attitude of investors explains the recent boom in Government securities—"gilt-edged stocks," as they are called in England. This boom was the event of the week. All the War Loan issues leaped up from 12 to 5 points. The War Loan 5s went up a whole point in 2 hours, which means an appreciation of $100,000,000.

As for new loans, every new flotation has been mobbed by investors. There have not been such scenes in London for ten years.

Millions for Australia

The Australian Governments, not usually very popular in London, have had millions flung at them. South Australia asked for $15,000,000 and had the whole of it the next morning before lunch. Victoria asked for $20,000,000 and got it as fast as it could be taken from a queue of investors.

The City of Swansea asked for a few millions and immediately ten times the amount was offered. Sydney and Buenos Ayres and Chili were showered with millions; and even little remote Siam was overwhelmed with investors, who threw $10,000,000 into the Siamese Treasury in 15 minutes.

Last year the amount of capital invested by England in foreign countries was more than doubled, while the amount invested at home fell off 75%.

The fact is that the average British investor would sooner lend his money to the Government of Patagonia than to a British merchant and manufacturer.

He has been frightened by the immense losses of business firms, and he is impressed by the difficulty of employing money profitably in trade and commerce.

British investors are following a policy of "safety first." They have more belief, very evidently, in the stability of Governments than in the profitableness of private industry.

The result of this policy is that hundreds of British mills and factories are in the direst need of capital. The Government has taken all their available money for taxes and they are unable to borrow or sell shares.

Industries Close Down

While in Dundee I found that two of the largest jute mills had closed their doors, throwing 4,000 people out of work, and all for lack of a very small amount of capital.

Even the London Underground Company is being forced to beg for more capital. Last year it paid less than 4%, and investors do not look upon it favorably in spite of its enormous revenue.

During the past 12 months, the stocks of coal, iron and steel companies have declined 25%; and the profits of all industrial companies are about half as much as they were a year ago. As for the railways, they are paying dividends as usual, but not out of profits. They are using a part of their Government subsidy to pay dividends and thus encourage investors.

The situation is unnatural and unsound. There is no money to be made by lending money to a Government, and this policy in the long run is not even a safe one. Such is the opinion of the Federation of British Industries, which is insisting that taxes shall be immediately reduced.

A boom in Government securities is not a boom—quite the reverse, as it only adds to the burden on the back of the taxpayer. And this is the only boom that is at present discernible in England.

But the money is here and waiting—hundreds of millions of dollars. It is waiting for a reduction of taxation and for a guarantee that trade and commerce will be let alone.

DRUMMOND APARTMENTS

Satisfactory Condition Is Shown By Statement

From Our Own Correspondent

MONTREAL.—An interesting report was made public this week in connection with a real estate bond, that issued with the new Drummond Apartments as security. The gross revenue from rentals for the past year was $136,820, which with operating expenses of $60,009 deducted left $76,811 available for bond interest of $40,950. Of the $650,000 of bonds outstanding on December 1919, there have been redeemed $50,000 leaving a balance of $600,000. All the apartments are leased for the current year and the gross revenue is expected to show an increase over that of 1921.

GRAFTON CO. AT LONDON

LONDON.—One of the most important business property deals in the downtown section in some years involves the purchase by the Grafton Clothing Co. of one of the best frontages on Dundas St., near Richmond. The price has not been mentioned. It was stated to FINANCIAL POST that the firm plans the erection of one of the finest business blocks in the city.

Factory Building

Will be erected to suit purchaser on King Street West lot, near Bathurst Street, in Toronto. Light on four sides and ten foot lane in rear.

King Street is one of the great thoroughfares of Toronto and location in this street carries with it considerable advertising value.

$15,000 Cash

Will finance an attractive four storey building on lot 30 x 96 feet, containing 25,000 square feet of floor space.

This will give you a building built to suit your business at a rental cost of about 30 cents a square foot for interest on investment, taxes, insurance, etc.

If you have $15,000 and would like to have building erected for you, address

Box 21, Financial Post, Toronto

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That Never Fails

How the Money was Lost

It is all so simple and effective!

Just a few dollars set aside regularly, and the Canada Life will guarantee to your home a continuous monthly income.

What a relief to know that no matter what may happen, the monthly cheque that never fails, issued regularly by the Canada Life, will come to your home!

Your present Life Insurance will no doubt "clear the mortgage," pay off the obligations of your estate, and leave something for your family, but

Consider This:

In addition to a "lump sum" of money, you should provide a definite income that cannot fail.

A weekly or monthly income is the natural thing for most people.

A woman can keep a family together on even a small income, provided it is regular.

Financial problems should not be thrust upon a woman who is not used to business deals.

The hands of unscrupulous men are always outstretched for money held by the unwary.

The Monthly Income Plan

You will be surprised to learn what a reasonable proposition can be made to you; how only a few dollars saved and set aside from your regular earnings can be multiplied into a substantial income for your Beneficiary.

Ask for Particulars

Canada Life

Head Office
TORONTO
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Now Built the ENDOS Mileage Way

What Is "ENDOS"?

It is the saturation of Cotton Fabrics used in tire building by a solution which absolutely penetrates the staple and deposits therein substances which will positively prevent oxidization and consequent deterioration.

ENDOS

What Does ENDOS Do?

It will displace and ultimately replace any substance foreign to the ideal cotton staple, such as air, water, or excess of vegetable oil, which are always present, and it will defer to a marked degree fatigue of fabric by holding the initial step of disintegration, namely, the untwisting and unravelling of the cotton thread comprising the yarn, which has been woven into the fabric, thus giving "Endos" treated fabric a life and a sphere of activity unknown to ordinary cotton tire fabric.

We know just what Tiger Tires will do, built under the "Endos" process, and have no hesitation in adjusting them on a basis of

8,000 Miles On Fabrics
10,000 Miles On Cord

Tiger Tires are built for the motorist who is willing to pay the additional first cost, and thereafter benefit by the long, uninterrupted mileage and freedom from tire worries.

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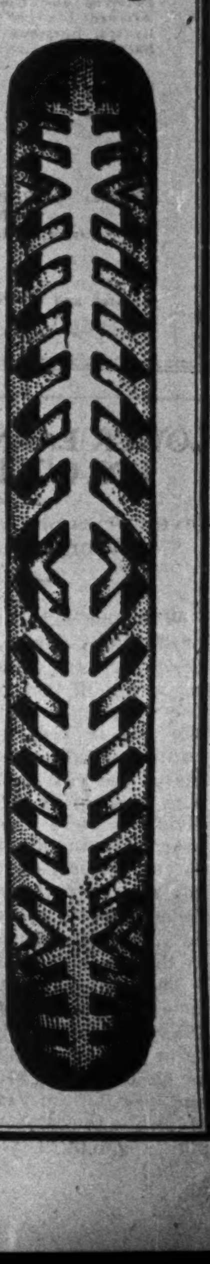


DEVELOPMENT OF VARIOUS FORMS OF INSURANCE IN CANADA

	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
ACCIDENT—											
a. Premiums ..	$1,850,868	$2,022,608	$2,199,885	$1,881,455	$1,684,010	$1,535,428	$1,644,664	$1,792,738	$2,044,083	2,340,732	$2,454,909
b. Losses	668,933	999,193	880,521	877,521	967,277	652,253	703,701	662,640	779,972	905,033	1,098,202
ACCIDENT & SICK (COMB.)											
a. Premiums ..	no record	no record	no record	321,487	402,753	585,755	859,955	915,662	950,071	1,073,158	1,205,465
b. Losses ...	no record	no record	no record	172,888	206,054	309,905	414,696	609,845	350,712	545,740	594,138
AUTOMOBILE, INCL. FIRE											
a. Premiums ..	$ 253,550	$ 464,580	$ 563,204	573,604	312,427	341,944	593,008	902,864	1,624,279	2,366,540	2,544,668
b. Losses	184,218	176,895	228,433	297,499	158,650	141,438	265,957	390,757	852,781	1,250,241	1,771,680
AUTOMOBILE, EXCL. FIRE											
a. Premiums .	inc. above	inc. above	inc. above	inc. above	323,658	567,559	831,827	1,250,150	1,901,704	2,886,941	3,651,039
b. Losses	inc. above	inc. above	inc. above	inc. above	131,336	174,675	305,443	578,805	954,136	1,598,768	1,616,302
BURGLARY—											
a. Premiums ...	$ 60,669	$ 66,042	$ 75,580	85,473	91,885	118,673	159,858	179,995	321,862	481,006	680,369
b. Losses	14,389	15,740	25,320	35,982	24,007	22,107	51,225	70,768	116,841	244,014	344,346
EMPLOYERS' LIABILITY—											
a. Premiums .	2,099,639	2,817,286	5,516,758	3,433,179	1,952,250	1,930,198	2,437,392	2,882,829	2,540,148	3,161,377	3,062,060
b. Losses	1,047,530	1,472,921	1,973,319	1,507,051	1,014,485	1,144,937	1,571,397	1,697,576	1,469,649	1,628,213	1,321,657
GUARANTEE—											
a. Premiums ..	444,628	564,096	645,624	742,510	730,138	790,010	824,638	947,821	1,138,882	1,272,462	1,338,409
b. Losses	152,190	130,686	189,030	341,314	172,221	319,983	205,503	202,054	268,840	312,477	667,169
HAIL—											
a. Premiums...	200,240	249,261	336,572	242,258	744,332	1,430,866	3,035,895	2,251,188	2,712,776	5,796,502	4,371,348
b. Losses	92,000	117,449	206,916	96,254	402,216	1,570,033	1,390,269	696,956	1,798,926	2,370,932	4,718,786
SICKNESS—											
a. Premiums .	880,780	1,027,374	1,135,430	1,133,413	1,084,798	1,109,801	1,374,351	1,567,255	1,311,890	1,576,317	1,691,321
b. Losses.....	638,651	713,729	722,540	690,449	680,358	719,195	878,401	1,415,578	785,656	1,051,506	1,001,183
TORNADO—											
a. Premiums	768	22,007	29,667	13,282	267,750	48,564	35,137	60,906	75,646	158,321	94,408
b. Losses	none	810	5,673	2,002	3,623	24,023	93,438	98,692	245,241	29,155	55,227

FIRE INSURANCE PREMIUMS AND LOSSES BY PROVINCES IN 1921

NET PREMIUMS WRITTEN—1921.

COMPANIES	Alta.	B. C.	Man.	N.B.	Nova S.	Ontario	P.E.I.	Quebec	Sask	Yukon	Totals
Canadian	$966,210	$837,115	$916,568	$418,967	$477,356	$3,811,056	$40,145	$2,246,203	$1,196,219	$246	$10,910,065
British	1,406,432	2,076,613	1,623,563	1,176,924	1,043,308	8,568,746	136,116	5,710,049	1,502,544	3,699	23,328,527
Foreign	1,230,960	1,880,631	1,300,794	926,263	1,085,890	4,934,243	64,014	3,776,701	1,212,916	2,976	16,415,988
Totals	3,603,602	4,794,359	3,840,925	2,522,154	2,606,554	17,314,045	240,275	11,732,953	3,911,679	6,921	50,654,600

NET LOSSES INCURRED—1921.

COMPANIES	Alta.	B. C.	Man.	N.B.	Nova S.	Ontario	P.E.I.	Quebec	Sask	Yukon	Totals
Canadian	$529,408	$276,279	$517,917	$292,382	399,063	2,404,082	18,544	1,554,053	697,392	None	6,689,130
British	$809,268	$766,195	$762,738	$872,669	788,372	4,676,398	54,179	3,644,870	841,681	10	13,271,139
Foreign	$662,129	1,101,748	905,968	825,773	851,849	2,742,705	31,346	2,444,740	674,296	163	10,245,929
Totals	2,000,800	2,144,222	2,186,623	1,990,824	2,039,284	9,823,195	104,069	7,643,663	2,213,369	173	30,203,198

The Quebec Railway, Light, Heat and Power Co., Limited

Condensed Report of the President and Directors for the Eighteen Months' Period Ended December 31st, 1921

To the Shareholders:—

Your Directors beg to submit the following report of the operations of your Company for the period of eighteen months to 31st December, 1921, together with statement of Assets and Liabilities as at that date.

The Gross Earnings from operation for the period of eighteen months were $4,139,320.39, of which $2,757,836.36 were for the period of twelve months ending 31st December, 1921, being an increase over the corresponding period of twelve months ending 31st December, 1920, of

$203,423.81

The Operating and Maintenance Expense for the eighteen months were $3,104,839.93, of which $2,074,029.01 were for the period of twelve months ending 31st December, 1921, or an increase over the corresponding period ending 31st December, 1920, of

$113,428.00

The Net Earnings from Operation for the period of eighteen months were $1,034,480.46, of which $683,807.35 were for the period of twelve months ending December, 1921, or an increase compared with the corresponding period ending 31st December, 1920, of

$89,995.81

After adding Miscellaneous Income and deducting Fixed Charges, taxes and depreciation for equipment placed out of service, there remains a net surplus for the eighteen months period of $101,708.03, or a net surplus for the period of twelve months ending 31st December, 1921, of

$87,512.63

The corresponding period of twelve months ending 31st December, 1920, showed a deficit of $33,171.71, and consequently the year ending 31st December, 1921, shows an improvement over the year ending 31st December, 1920, of

$120,684.34

The balance at the credit of Surplus Account on 30th June, 1920, was $582,704.84. After adding the surplus for the eighteen months period ending 31st December, 1921, there remains at the latter date a surplus of

$684,412.87

The installation of the new steel head gates at the main dam on the Montmorency River and alterations and improvements of the intake have been completed. As anticipated in the last Annual Report this work has reflected itself in most satisfactory operating results in the Power Division.

An additional order has been placed for ten (10) double truck P. A. Y. E. cars to be added to the rolling stock of your City Street Railway Department. It is expected that these cars will be placed in operation during the month of April, 1922.

The accounts of your Company have been duly audited and certified to by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal.

Your Directors desire to express their appreciation of the Services rendered by the officials and staff of the Company.

Respectfully submitted on behalf of the Directors.

LORNE C. WEBSTER,
President.

Montreal, March 30th, 1922.

STATEMENT OF ASSETS AND LIABILITIES AS AT 31st DECEMBER, 1921

ASSETS

Investments, Stocks, Bonds and Interest in other Corporations		$14,298,633.02
Treasury Bonds		641,100.00
Investment Adjustment and Bond Discount, etc.		4,100,932.33
Advances to Controlled Companies		2,166,442.78
General Construction, etc.		533,640.56
Cash on hand		33,638.84
Accounts and Bills Receivable		279,214.90
Stores and Supplies on hand		250,123.39
Prepaid Expenses, etc.		58,289.60
		$22,361,415.42

LIABILITIES

Capital Stock	$10,000,000.00	
Less: Unissued	500.00	
		9,999,500.00
BONDS:—		
5 % Consolidated Gold Bonds due 1st December, 1939	$10,000,000.00	
Less: In escrow to redeem Bonds of Subsidiary Companies	3,411,000.00	
		6,589,000.00
5 % 30-Year Income Bonds, due 1st September, 1951		$3,307,200.00
Bills Payable		264,516.68
Accounts Payable, etc.		484,444.93
Sundry Loans and Advances		444,229.30
Accrued Interest		42,201.65
Deferred and Unclaimed Interest		64,194.25
Accrued Charges		98,541.23
General Suspense and Reserves		383,174.51
Surplus		684,412.87
		$22,361,415.42

Certified Correct:

(Signed) A. E. LABELLE,
Director.

(Signed) C. A. LAVIGNE,
Director.

(Signed) H. G. BOSSE,
Comptroller.

Quebec, 15th March, 1922.

Audited and Verified as per Report of March 15, 1922:
(Signed) P. S. ROSS & SONS,
Chartered Accountants.

LOWER EARNINGS FOR GOODWINS LTD.

Inventories Show Little Change—Working Capital Is Lower

With the volume of new business substantially lower the earnings of Goodwins, Ltd., showed a very material falling off last year. This was in line with the expectations of a year ago and in keeping with general business conditions. The gross profits of the year at $323,867 compare with $495,211 of 1920. The preferred dividends were paid throughout the year while in the previous year only three quarterly dividends are deducted; also in past year $12,000 is set aside against income taxes, whereas no allowance of this nature was made in the previous year.

There was set aside for depreciation the sum of $85,000 as against $65,000 of the previous year. The reserve for bad debts remains the same as heretofore at $10,000. The profit and loss for the year stands at $12,215, while the total profit and loss surplus amounts to $1,117,230 as compared with $1,188,190 of 1920.

Profit and loss accounts for the past two years compare as follows:

	1921	1920
Gross profits for year	$323,867	$495,211
Int. or bonds, mtg. and loans	106,652	118,251
Depreciation plant and equipment	85,000	65,000
Reserve on bad debts	10,000	10,000
Res. for income tax	12,000	......
Preferred div.	98,000	73,500
	$311,652	$266,751
P. and l. surplus for year	12,215	228,460
P. and l. surplus Jan. 31, 1921	1,105,015	......
Taxation adjustment	83,175	......
Previous p. and l. surplus	1,105,015	959,730
Total p. and l surplus	1,117,230	1,188,190

Total assets of Goodwins Ltd., as at January 31, last are almost the same as those of the previous year, but current liabilities at $818,770 compare with $649,024 of 1920. There is practically no change in the inventories at $1,259,352. The working capital shows a decrease of $160,909 at the total of $974,387.

DIVIDEND PAYMENTS

Standard Bk	May 1	3½	Apr 17
Bk. Nationale	May 1	1½	Apr 15
Imperial Bk	May 1	3+1	
Do pref.	May 1	2½	Apr 21
Steel of Can com.	May 1	1¾	Apr 8
Do pref.	May 1	1¾	Apr 8
Penmans com	May 15	2	May 5

LONDON READY TO FINANCE CANAL ON ST. LAWRENCE

Canadian Banker in New York Says Britain Would Back Canada

TRADE ADVANTAGES

Would Give the British Exporter a Direct Connection With Big Interior Markets of America

From Our Own Correspondent

NEW YORK.—London is taking the suggestions of the International Waterways Commission in regard to the deepening of the St. Lawrence quite seriously, according to a Canadian banker, so seriously in fact that a very complete plan is being worked out by a group of influential British financiers and political leaders, to enable Canada to obtain the financial backing of British capital, should she eventually decide to take up the development of the St. Lawrence in company with the United States. The name of Lord Milner he told me is being coupled with this plan. My Canadian informant assured me that many of the most influential economic advisors of the British Government are behind the scheme and are determined to do everything in their power to place their plans before both the British Imperial and the Canadian Government.

The possibility of linking Manchester and Chicago by boat has also made it appeal to the merchant princes of Manchester and Liverpool. The canal scheme if carried out would enable ships laden with the products of industrial England to sail right into the heart of America's richest agricultural states, in the opinion of its English supporters.

The English supporters of the canal scheme, THE FINANCIAL POST was told, favor a conference between the supporters of the St. Lawrence Canal scheme in Canada, Great Britain and the United States, a conference which would discuss ways and means of financing the whole project. A British delegation, your correspondent is told would come to such a conference prepared to back the recommendation that the British Imperial Treasury guarantee Canada's part of the expenditure, with the belief that profits of the whole enterprise would be large enough within ten or twenty years, to at least wipe out the British portion of the cost.

So far as the United States is concerned, among those in a position to follow closely official opinion in Washington regarding the St. Lawrence project, the probability that the present Administration will do something in the direction of adopting the proposals of the International Waterways Commission, is taken with entire seriousness. Within the week your correspondent was privileged to discuss the project with an official of the Port of New York Authority, the newly appointed "harbor commission," as Canadians would dub it which plans to make the harbor of New York into a modern port. This gentleman, in his official capacity, has been studying the transportation problems of both Canada and the United States, for some years.

He assured your correspondent that President Harding is convinced that the St. Lawrence Canal will be built in the near future, an opinion which he shares with the ablest economists in the United States. Secretary Herbert Hoover is also believed to hold this opinion. Both the President and Secretary Hoover believe, this man told me, that the adoption of the canal scheme will eventually mean cheaper transportation for the Western farmer.

GREAT BRITAIN'S FINANCES

Surplus of Over £45,000,000 For The Fiscal Year

United Kingdom of Great Britain and Ireland has completed the fiscal year ended March 31, 1922, with a surplus officially announced as £45,693,246.

Owing mainly to a decrease of £188,729,000 in excess profits duty, revenue declined to £1,124,879,873 against £1,425,984,666 in previous year. Receipts from customs decreased £3,951,000; from excise, £5,491,000; from stamps, £6,953,000.

Receipts from corporation profits tax increased £16,866,000; from property and income tax, £4,721,000; from estate, etc., duty, £4,462,000; from motor vehicles duty, £4,023,000; postal service, £3,900,000; telephone service, £2,300,000; telegraph, £700,000; land tax and house duty, £40,000.

Total expenditure of £1,079,186,627 chargeable against revenue compares with £1,195,427,877 last year.

GOVERNMENT CUTS STAFF

Because the United States Government is making less money a reduction of 500 to the staff of approximately 5,900 employees of the bureau of engraving and printing has been ordered, it was announced by secretary Mellon.

MORE U. S. CAPITAL SOUGHT BY CANADA

Development of Water Power in Quebec Said to Interest Morgan Group

From Our Own Correspondent

OTTAWA, March 27.—Great developments are in prospect for development of waterpower in Quebec, and American capital will play an important part, it is expected.

E. A. Robert, head of the Robert Power group of Montreal, who has obtained important legislation on behalf of the companies with which he is associated, is reported to have interested the Morgan element in waterpower development in Quebec.

Quebec generally is on the eve of important industrial developments. Some of these relate to the pulp and paper industry in the northeastern part of the province. The building of a railway line from Murray Bay to Chicoutimi is now being projected, for which there is a standing land grant of 4,000 acres a mile.

Sir Charles Becker representing British capitalists, is negotiating with the North American Pulp Company for the sale of its interests in this district. It is also announced that he has contracted with the Saguenay Pulp and Paper Company for the delivery of 1,000,000 tons of ground wood-pulp and for 450,000 tons of sulphite. The contract is for ten years, and is estimated to total $60,000,000.

WINNIPEG ELECTRIC

February earnings of the Winnipeg Electric show an increase of $11,954 over the same month last year. The actual figures for a year ago and for the past year are $479,590 nd $467,636 respectively. Operating expenses and taxes at $350,654 indicate a decrease of $13,012 over the 1921 period. Net divisible income has jumped up from $44,913 to $68,966 or an increase of $24,053. The gross earnings for the two months ending February 28, 1922 and 1921, are as follows: $983,277 and $982,954 or a difference of $323.

The Spanish River Pulp & Paper Mills

LIMITED

Notice of Dividends on Preferred and Common Stock

A dividend of one and three-quarters per cent. (1¾) on both the Preferred and Common Stock of The Spanish River Pulp & Paper Mills, Limited, has been declared for the quarter ending March 31st, 1922, payable on April 15th, 1922, to shareholders of record at the close of business April 8th, 1922.

By order of the Board,
J. G. GIBSON,
Secretary.

Toronto, March 31st, 1922.

DIVIDENDS

DOMINION TEXTILE COMPANY LIMITED.

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1922, payable April 15th, to shareholders of record March 31st, 1922.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Dominion Steel Corporation Limited

NOTICE OF PREFERENCE SHARE DIVIDEND NO. 41.

A Quarterly Dividend of One and One-Half per cent. on the Preference Shares of the Dominion Steel Corporation, Limited, has been declared, payable 1st May, 1922, to Shareholders of record on 15th April, 1922.

The Transfer Books will be closed from 16th April to 1st May, 1922, both days inclusive.

By order of the Board of Directors,
C. S. CAMERON,
Secretary.

Montreal, April 4th, 1922.

Canadian Shade Co. Ltd., Declares Dividend on Preferred Stock

Directors of the Canadian Shade Company, Limited, announce the declaration of the first dividend on the preferred stock at the rate of 8 per cent. per annum. This is in the nature of an adjusting dividend to the period of March 31, and the disbursement to stockholders, therefore, varies according to the length of time the stock has been held, as well as the number of shares. The company, which took over the established business of the W. C. Hunt Manufacturing Company, Limited, is making satisfactory progress in its output of high-class ELECTRICAL FIXTURES, ORNAMENTAL IRON WORK AND ADVERTISING SIGNS, and the future of the business has particularly encouraging signs.

We are making an offering of the preferred shares of this company. Write for further particulars to

Regent Securites Corp., Limited
3rd Floor Royal Bank Bldg.
Toronto

TENDERS WANTED

TENDER for DEBENTURES

Sealed tenders, marked "Tender for Debentures" will be received by the undersigned up to 6 o'clock p.m. of Monday, the 17th day of April, 1922, for the whole or part of the $15,000.00 of debentures issued by the Board of Trustees of the Roman Catholic Separate School for School Section No. 4, in the Township of Calvert, in the District of Temiskaming.

These debentures are payable at the expiration of twenty years from the 6th day of May, 1921. Interest at the rate of six per cent. is payable yearly. Coupons covering interest are attached to debentures.

The payment of these debentures and interest is GUARANTEED BY THE PROVINCE OF ONTARIO.

The highest or any offer not necessarily accepted.

Information regarding debentures may be obtained from the undersigned, or from Fred A. Day, barrister, etc., No. 715 Excelsior Life Building, Toronto.

A. PELLETIER,
Secretary Board of Trustees of the Roman Catholic Separate School for School Section No. 4, Township of Calvert.
Address, Iroquis Falls, Ont.

City of Prince George, B.C.

Tenders for Bonds

Tenders are invited for the purchase of the following bonds:

Streets Improvements, $20,000.00, 10 years; Waterworks, $14,000.00, 15 years; dated 3rd January, 1922. Denominations $500.00. School Construction, $10,000.00, 15 years, dated 1st June, 1921. Denomination $500.00. Coupons attached. Interest 6% payable half-yearly at Royal Bank, Prince George, B.C., Vancouver, B.C., Toronto, Ont., New York and San Francisco, U.S.A.

Sealed tenders will be received up to 5 p.m., 18th May, at the City Hall, Prince George, B.C., and will be opened at regular meeting held that date.

This Council shall not be obliged to accept any tender.

D. G. TATE,
City Clerk and Treasurer.

TOWN OF STETTLER ALBERTA

Sealed tenders will be received by the undersigned up to April 22nd, 1922, for $15,000.00 Waterworks Debentures. Interest 6½%, repayable in 15 equal annual instalments of principal and interest. Debentures dated September 1st, 1921. The highest or any tender not necessarily accepted.

E. ROBERTS,
Secretary-Treasurer.

Under the Hammer

THE late F. W. Woolworth, of five and ten-cent store fame, left an estate of fifty million dollars. But his widow was obliged to sell his home in New York City to provide the ready money with which to pay Inheritance Taxes.

If, at the time of your death, your total worldly possessions have a value of $50,000 or more, your executors will be called upon to pay out—promptly and in spot cash—a very substantial sum of money to cover your Succession Duties (otherwise called Inheritance Taxes). In some cases the amount exempted from this Tax is only $25,000, and the tendency is for such levies to become heavier as time goes on.

Not many estates are of such a nature that any considerable proportion of them could be turned into cash on short notice without serious losses resulting, particularly if business conditions or the state of the money market should be unfavorable at the time the money is needed.

If you had a business obligation of several thousands—or even hundreds—of dollars to meet some years hence, would you not commence now, making provision for meeting it? Well, if you are even moderately well off, Succession Duties will constitute a first charge against your estate at your death. Have you made a provision for meeting that obligation?

An Imperial Policy offers a most convenient method of providing for Succession Duties. Ask us to tell you all about it.

COUPON

The Imperial Life Assurance Company of Canada

Please tell me about the life insurance method of paying Succession Duties.

THE IMPERIAL LIFE ASSURANCE COMPANY of CANADA
HEAD OFFICE :: TORONTO, ONTARIO
Branches and Agents in all important centres

Featuring Insurance

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-24 PUBLICATION OFFICE: TORONTO, APRIL 7, 1922 Special Section 17-24

HEAVY FIRE LOSSES IN 1921 DUE TO BUSINESS CONDITIONS THAT MADE "MORAL HAZARD" STRONG INFLUENCE

Fire Loss Ratio Highest in Many Years in Canada

COMPANIES' PROBLEMS

Incendiarism Suspected in Many Fires Reported During Past Year

What a radical change has occurred in the fire insurance business in Canada this past year! In the review in these columns twelve months ago it was declared that the year 1920 was "the best in the history of fire insurance in Canada." That insurance in force had reached $5,971,330,272 as compared with $4,923,024,381 at the end of 1919, and that premium income had gone up from $40,031,474 to $50,527,937.

It is probable that the majority of companies will class 1921 as "one of the worst in the history of fire insurance in Canada," that is, relatively. The "readjustment" process that struck industry so hard a blow, has made itself felt with the fire companies.

The connection is a curious and not very uplifting commentary on the honesty of human nature. For the industrial company, stocked with high priced goods on the shelves, the slump in commodity values drew heavy losses. To the insurance company the slump in merchandise prices meant cancellations of a considerable percentage of the amount of the policy carried and consequently, premium income was cut down.

But this was not all. The "moral hazard," soon came into active play. In scores of cases fires broke out, where heavy stocks of merchandise still remained, much of it unsaleable at all; the whole of it calling for losses in the liquidation. Fire proved a very direct and simple liquidator: with the insurance company as the dispenser of cash in place of dead stocks. The exchange suited the assured remarkably well: the fire company had to "grin and bear it" in most cases. For it is a very difficult matter to prove arson, and usually where the company feels convinced that the fire was deliberately set to recover the insurance, an investigation reaches a point where oily cloths, perhaps, are in evidence, but that is all. Suspicion is strong, but generally the inquiry fizzles out, and the company is forced to balance up this transaction against the profitable ones of a more favorable year.

This phase of the fire insurance experience of 1921 stands as the really unpleasant side of it: not so much the heavy losses as the suspicion engendered in so many instances that the assured has committed a crime to save himself, and defraud the company.

Island Province Restricts Business to Local Agents

Banks, agricultural implement distributors and similar corporations having branches in Prince Edward Island will be particularly affected by recent legislation of that province which requires that fire insurance policies on property on the island must be written through agents with P. E. I. licenses. Organizations placing their insurance on branch offices and plants through the head offices elsewhere cannot do this any longer in the case of the island province. The legislation is so stringent that any adjuster adjusting a loss under a policy not signed by a resident agent is made liable for a penalty in the same manner as the company issuing the policy.

NEW ACCIDENT OR SICKNESS POLICY OF LIFE COMPANIES

New Powers to be Granted Covering Non-cancelable Policy

Legislation now in course of preparation by the Department of Insurance at Ottawa will be introduced during the present session granting power to life insurance companies to issue what has been termed "the non-cancelable" policy for sickness and accident. That is a policy that covers a period of years like a life policy and is carried under a uniform premium instead of the ordinary yearly type that may be canceled at the end of the year. This form of policy, it is considered, is a much fairer one to the assured where he desires to be insured permanently in either of the two directions. Up to the present he was given a policy for twelve months and was never sure whether this would be renewed or nor, or what the premium would be the next time. A sickness might prevent a renewal and this form of protection henceforth might be denied him.

This additional authority to be granted the life companies does not mean that they will be invading the field of the casualty companies. As a matter of fact, the new type of policy has been made dependent upon a life policy, coinciding with it in time and limited by the amount of life policy carried. The condition is comparable —if it may be forgiven—to that of burglar insurance on a private house where no policy will be written unless there is fire insurance existing at the same time.

Extension of Total Disability

Canadian Insurance Had Difficult Year in 1921

Canadian insurance in 1921 went through a difficult period of readjustment that tried the mettle of insurance men. The companies did not suffer worse than organizations in other lines of business. In many lines premium income was reduced, but in fire, burglary, automobile, hail and some other lines, the most unfortunate feature was a greatly increased loss ratio.

Life insurance after experiencing a record year of activity in 1920, found is more difficult to write new business in a year of general mercantile depression and falling agricultural prices. Moreover policy lapses were extraordinarily large and the hard work of the agents was hardly reflected in the increase in amount of insurance in force. One important benefit was a great reduction in the mortality rate with the result that all companies were able to close the year with increased surpluses.

Fire insurance had a year of problems. Premium income was reduced, chiefly owing to declining values. This was to be expected. The worst problem though came in the heavy losses. The "moral hazard" made its presence felt and suspicious fires were numerous.

Other lines of insurance had varying experiences and all are covered elsewhere in these pages.

The very extensive records of Canadian insurance in 1921 presented in this number are possible because of the efficiency of the Dominion Department of Insurance under its capable head, G. D. Finlayson, Superintendent of Insurance for Canada.

It is remarkable evidence of the "live wire" methods in this department that complete figures are presented to the public of insurance activities in 1921 less than four months after the year end.

Trend of Insurance Company Investments is to Mortgages

By FLOYD S. CHALMERS
Associate Editor, "The Financial Post."

Investments of Canadian life insurance are showing a changing trend. There is a tendency for the companies that have been investing in long term bonds at high yields to divert a larger portion of their funds to mortgages. This is a natural development. When the best municipal and provincial bonds could be purchased at yields of 6¼ to 7 per cent. there was every incentive for the companies to buy heavily of bonds; to store up a good reserve of highly liquid assets at rates of interest that made bonds strong competitors of Western farm mortgages. But the 6½ per cent. bond issue is no more; yields of 5.40 per cent. are more common. There is not the same incentive to buy bonds.

Mortgages, on the other hand, can still be arranged to give good yields. There has been considerable renewing of British funds by the loaning companies and while many of them have plenty of money on hand there is nothing in the nature of a surfeit of funds for mortgages. Rates are down to some extent all over Canada, but there is no doubt that they have been abnormal for a few years back. Eight per cent. has always been considered a fair rate for Western Canada farm loans and there is little likelihood of its coming down. The nine and ten per cent. loans that a few of the insurance companies arranged may be past but the companies that have adhered to an eight per cent. rate as a fair one even though higher rates could be had will notice no decline in their return.

Invest Heavily in West

Great is the faith of the larger insurance companies in Western Canada. One company is buying more mortgages in Alberta and Saskatchewan than ever before in its history. It has had some difficulty in their collections in the drier areas but looking at the precipitation records and the crop results over a term of years and not only for the past three or four years, it is convinced that the unsatisfactory crop situation, will aright itself in the near future.

In ten years the average rate of interest earned by Canadian life insurance companies on their invested assets has not changed as might have been expected. Here are the average figures for the companies operating under Dominion license:

1912	1913	1914	1915	1916
6.13%	6.42%	6.53%	6.53%	6.40%

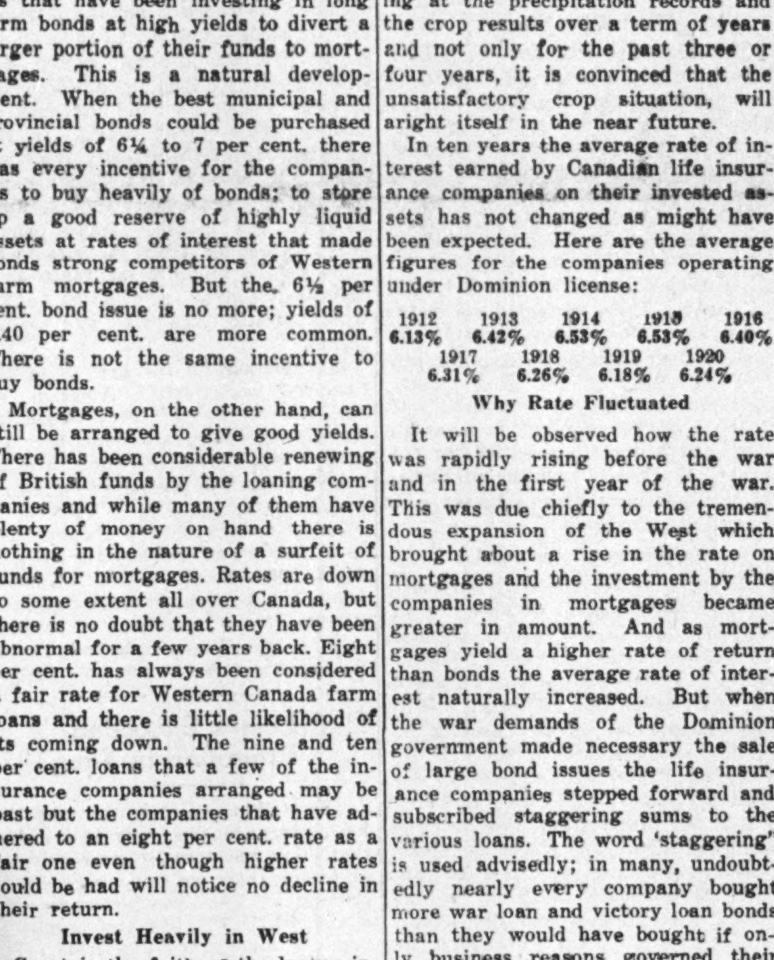
1917	1918	1919	1920
6.31%	6.26%	6.18%	6.24%

Why Rate Fluctuated

It will be observed how the rate was rapidly rising before the war and in the first year of the war. This was due chiefly to the tremendous expansion of the West which brought about a rise in the rate on mortgages and the investment by the companies in mortgages became greater in amount. And as mortgages yield a higher rate of return than bonds the average rate of interest naturally increased. But when the war demands of the Dominion government made necessary the sale of large bond issues the life insurance companies stepped forward and subscribed staggering sums to the various loans. The word 'staggering" is used advisedly; in many, undoubtedly nearly every company bought more war loan and victory loan bonds than they would have bought if only business reasons governed their course. How this has worked out in one particular company can be seen

(Continued on Page 19)

HOW CANADIAN COMPANIES FARE



The chart above indicates how insurance in various lines is divided between Canadian companies—shown in black—British companies, shown in white—and foreign companies (chiefly American)—shown in the shaded portions. Each line represents the total amount insurance of one particular branch with the proportions in the various companies.

It will be noted that Canadian life companies have succeeded in capturing the Canadian market to a greater degree than the other classes. British companies write but little life insurance in Canada. In fire and hail insurance Canadian companies write proportions of around 15 per cent.

THEFT AND FIRE RATES ADVANCE ON AUTOMOBILE INSURANCE POLICIES; 1921 WAS AN UNSATISFACTORY YEAR

"Bootleggers" Partly to Blame for Bad Experience That Forced an Increase in Rates—Insurance Paid on Actual Value Only

OMIT $25 DEDUCTIBLE POLICY

Rapid Growth in Number of Automobiles in Canada Indicates the Tremendous Field for This Type of Insurance—Business Now Being Handled More Scientifically Than in the Past

By H. H. BLACK,
Associate Editor, "The Financial Post."

How Auto Insurance Has Grown

Year	Cars Licensed	Premiums Pd.	Aver. Per Car
1910	8,937	$ 80,446	$ 9.00
1911	21,682	253,550	11.69
1912	34,789	464,580	13.35
1913	50,489	563,204	11.15
1914	69,598	573,604	8.25
1915	89,944	636,085	7.06
1916	123,464	849,503	6.90
1917	197,799	1,424,835	7.23
1918	275,746	2,153,014	7.81
1919	341,316	3,425,983	10.03
1920	407,064	5,253,481	12.90
1921	469,310	6,195,737	13.00

Experiences of the companies in writing automobile insurance during the past year are an interesting and remarkably accurate reflection of current events. Perhaps the most illuminating example of this is contained in the theft "experience" of two cities, Windsor and Montreal. The percentage of losses by theft in the Windsor district over a measured period of last year amounted to 267 per cent. of the premiums received for the insurance of the cars against theft; that is, the losses of the companies ran close to three times what all the owners of cars paid in in that district to cover insurance against theft. The explanation universally accepted among insurance men is the existence in large numbers of the "boot-legger" who thrives along the Windsor-Detroit border. An easy regard for the property of another, if it affords the chance of an easy get-away, seems to be, according to insurance records, one of the characteristics of this by-product of prohibition. Windsor's high ratio stands in contrast to the record of claims paid for the balance of the Province of Ontario of only 68 per cent. of premiums received.

Lost Three Times The Premiums

Given the record of Windsor it becomes a simple matter to guess the companion city from whose precincts the boot-legger operates with a fair measure of success against the insured automobile. Montreal holds a record a good deal like that of Windsor and, indeed, the boot-legger and others seem to carry on successfully from many other centres than Montreal for the record for the Province of Quebec as a whole shows theft losses of 294 per cent. of premiums among the tariff companies.

The experience, then, of the companies writing theft insurance was very unfavorable during the past year, and the record for fire losses on cars was also bad. Indeed the head of one company told THE FINANCIAL POST "no money was made in fire and theft insurance in any part of Canada last year." As a result rates in both departments have been raised for 1922, with the theft loss showing the biggest jump.

Theft Premiums Same, Old or New

A new principle has been adopted for theft insurance; the age of the car makes no difference now in the premium. Heretofore the companies worked on the theory that a new car was higher risk than an old one, that is more liable to be stolen. This plan is now abolished and a flat rate for each type of car has been fixed. For instance, where last year the Ford touring car was charged $2.45 per $100 of value for theft insurance, and the car of 1916 taken at $1.70, the new rate for new or old cars alike, that is Fords, is $3.30 for each $100 of coverage. The old car therefore is paying almost double the rate this year that was paid last year. There has been a slight increase in the bigger cars although not as great, the Rolls Royce being increased from 30 cents to 40 cents per $100 coverage.

Another change that has been adopted—also the result of very sad experiences—is to make a special charge for extra equipment on each car, such as a new tire, spot lights, motor meters, etc. Heretofore the general theft rate covered these but it has been found that by far the greater part of the claims for theft originate in the loss of these extras, and were it not for these the companies would have fared fairly well on their theft insurance. One man for instance, reported three different tires lost in three weeks, generally while he was attending jazz dances, so that the company is planning to notify him to go elsewhere for his next policy. He is too expensive a client to keep around. In this case of extras there is a rate of 5 per cent. charged on the value, with a minimum charge of $5.00.

Omit The $25 Deductable Clause

So far as public liability and property damage are concerned there is little change in the rates but one decided revision has been made in omitting entirely the class of liability covering the $25 deductable. This policy was a very popular one in the past but the companies found that the tendency was for claims that they might feel could be covered fairly for $10 or $15 to be magnified to over $25 and thus bring them the right to claim payment from the insurance company. Now they must pay damages up to $50 if they take out a deductable clause and it is felt that this will result in a great majority of the smaller claims being met by the assured rather than attempting to bring them up to $50 where the company would be liable. It is felt that the greater responsibility thrown on the driver will result generally in a considerable decrease in the accidents reported, more care and less recklessness.

"Saving" Big Premiums

As an illustration of how this works out, the charge before for a Ford touring car for the $25 deductable policy was $46, while the premium with $50 deductable was and is now $33 a year, and for the $100 deductable policy only $14.50. The omission of the $25 policy would mean a loss in premiums to the company of $13 or perhaps even $31.50 but it is felt that this loss will be made up by a reduction in the claims for small losses. Taking the Hudson car, the 7-passenger touring, a full coverage policy would cost $168; the $50 deductable $77.50 and $100 deductable $49.50. Taking the risk of having to pay himself for damage up to $100 the owner of the car in this case might save $118.50—if he had no accidents. Some insurance men feel that car owners this year are more likely to take such a risk and save a fairly heavy insurance premium more

(Continued on Page 22)

AUTOMOBILE INSURANCE THEFT AND FIRE LOSSES Compared with Premiums

	Theft	Fire
Quebec	294%	73%
Ontario	91%	62%
Manitoba	68%	68%
British Columbia	94%	40%

NEARLY FOUR HUNDRED THOUSAND CANADIANS INSURED IN FRATERNAL ORDERS TO VALUE OF $360,000,000

Many of Societies Now on Absolute Actuarial Basis and Others Are Rapidly Being Brought to That Position

NOW UNDER DOMINION SUPERVISION

Past Ten Years Have Seen the Greatest Growth Due to Placing of Societies on a Sound Business Basis—But After All It's the Social Side of Their Work That is the Most Important

By STEWART J. ALLEN

The magnitude and the extent of the operations of fraternal societies is indicated by the fact that in 1920 there was almost $375,000,000 of fraternal insurance in force in Canada. The late Sir George Hardy, ex-president of the Institute of Actuaries has pointed out that friendly societies "were originally purely social in character and mutually protective and only in recent times financial." In tracing the history of friendly societies we are carried back to Middle Ages and beyond. The fraternal societies in America on the other hand date back only half a century—when John Upchurch founded the Ancient Order of Workmen in Pennsylvania in 1868. Between 1881 and 1890, twenty-six of the societies still active were organized; between 1881 and 1890, forty-one more were founded that still survive, and in the "golden age" of 1891 and 1900, there was a large increase in the number of societies. Seventy-eight are still active. In the following decade, there arrived thirty-two additional societies. It was in this decade, 1901-1910, that the movement within the societies for adequate rates and sound insurance methods commenced.

It took time for the societies to realize that the fraternal and benevolent work of which they were justly proud depends in the final analysis is upon the adequacy of the financial foundation to support the life insurance benefits undertaken by the society. In the early days of fraternal societies, on the death of a brother it was the custom to literally "Pass the Hat" to procure some amount to send to his widow or dependents. Then some of the societies started the system whereby its members were to pay some small sum each month, being promised an amount of insurance that in view of the modern actuarial tables would be impossible to pay, even if the society were to experience a highly favorable death rate. This obviously could not stand the strain of time and for the next few years fraternal societies issued only what was in effect term insurance.

Attention was then drawn to the inadequate rates charged by these societies. In the United States public opinion backed by the pressure of the State Commissioners, brought about the first serious attempt to deal with the reform of fraternal insurance, with the result that in 1910 the "Mobile Bill" was passed by several States. This bill provided for annual actuarial valuations of certificates on the N. F. C. 4 per cent. basis; this valuation was to be carried out by a competent actuary; the valuation was not to be regarded as a test of solvency; each member was to receive a copy of this report; provision was made in the societies' laws for extra rates of contribution to meet matured claims; when the percentage of solvency was less than 90 per cent. the society was required to reduce this by 5 per cent. every three years; if this condition were not met with in two successive valuations the superintendent could take steps to wind up the society.

However, this bill was followed in 1912 by the New York Conference Bill, which took the main virtue out of the Mobile Bill, when it provided only that any society, no matter how low its degree of solvency was not required to do more than not get in worse condition.

Position in Canada

Until the year 1916 there was no provision in the provincial Insurance laws for the regular valuation of the fraternal societies' certificates. It was not the laws of nature and arithmetic, backed by public opinion, that brought about legislation in the provinces to make possible the valuation of these certificates. The adoption in the United States of the Mobile Bill and the New York Conference Bill paved the way for the passing of enactments to the Ontario Insurance Act, embodying several of the valuation and other requirements of the American Acts just mentioned. This bill did not provide for any improvement in the degree of solvency but was aimed to prevent the solvency from becoming worse. The more important addition to the Act was the adoption of the Hunter rates, which provided that the contributions of new members were to be kept apart from the other funds of the society and if at the next triennial valuation no improvement be shown, then the new members were supposed to be placed in a separate class and their certificates valued as an independent society in respect of contributions and funds.

Transition Stage

The fraternal societies were in a transition stage both in regard to membership and financial status. This uncertainty resulted in the decrease in the new members secured. Some of the societies met the situation by a readjustment of rates, which would place them on a sound actuarial basis. However, all the societies did not take this step and for those that did not the future is still in doubt. They preferred rather to gamble on the present assets outlasting their individual needs for protection. Putting the case bluntly, in these societies the organized selfishness of the general membership has been willing to sacrifice the future of the orders and the protection of the new memberships to serve its immediate purposes.

Government Supervision

The ten years, 1911-1920, witnessed the development of the life insurance benefits of these societies into a well ordered system in which there is an intimate union of fraternity and sound life insurance. With the concurrence of the leading societies, expressed both through the National Fraternal Congress of the United States and the Canadian Fraternal Association, the societies are gradually being placed by status upon a standard of reserves and solvency adequate to the protection of their certificates and not unduly burdensome to the members. In Canada the Dominion department of insurance has taken over the supervision not only of the societies incorporated at Ottawa but of the large American orders doing business in Canada.

A Typical Organization

The experience of the Independent Order of Foresters since 1913 is in line with practically all companies and will serve to show the effect of the changes required by the department of insurance. In the year 1913 as the result of the readjustment of rates their membership dropped severely, as may be appreciated. It did not begin to show much activity until 1915; and in that year this company wrote $9,310,757 of new business. Some further progress was made during 1916 and 1917, and in the year 1919, $19,653,925 of new insurance was written and in 1920, $22,758,922. The year 1921 was not so favorable owing to the unemployment and general conditions; $19,200,862 was written. From these figures it will be seen that the shock of the readjustment has been overcome. To-day the society claims 104 per cent solvency.

If we turn to the leading provisions of the Dominion Act we find that not until 1919 was there any provision made whereby the insurance department could make an actual valuation of the fraternal societies. But in 1919 there was added to the act, "Part 11,A, Fraternal Benefit Insurance."

The Dominion enactment has this general characteristic that it approaches the solution from a knowledge of history and the genius of the friendly society. It avoids the rigidity of the old line statutory valuation requirements, it is flexible in operation, without being vague and loose in conception. It leaves a large degree of responsibility for the society's financial position to the actuary of the order, who moreover must be qualified. A deposit of $10,000 is required. In the American Societies that have not reached the 100 per cent standard of solvency required for license, interim licenses were granted, which will be withdrawn in 1925 unless then such societies shall comply fully with the requirements of the law.

Hand in hand with adequate rates and adequate reserves the development of the fraternal societies has evoked simpler constitutions, greater freedom from vexatious conditions, clearly defined benefits and withdrawal equities. The societies have begun the issue of limited payment life certificates, but so far have wisely avoided the commercial forms of endowment. The monetary benefits of the society are still properly restricted to wife, family and dependents and as a rule the society is jealous of preserving the benefit for the women and children. The fraternal benefit certificate is not permitted to be used as an instrument of credit.

The bringing of the societies to actuarial standards is a great step forward, one that has been long awaited and which was urgently required. The insuring of lives is after all a definite, scientific business, requiring cautious management and sound economic methods. The social features of fraternal organizations are of great interest to the many members but it is now understood that no amount of social benefit can compensate for weakness in the financial structure of the actual insuring of lives. When unfair competition in the form of too low rates is eliminated, it is a question whether the fraternal organizations are actually competitors of the ordinary life insurance companies. With the societies insurance is not the primary aim or should not be. Provision of social life, the mutual caring for sick members, lending unfortunate brothers a helping hand in times of need is their great work. In the carrying out of their really fraternal aims they have built up an organization that lends itself to insurance of lives and health. Many people are covered by their policies who could not be sold life insurance as a definite business proposition apart from mystic symbols and lodge nights.

In summing up the growth of the fraternal societies in America, we find that in the Fraternal Canadian Association there are some twenty-two societies, five of whom are international. The combined membership of these societies is 1,250,000 of whom 375,000 reside in Canada. The total amount of insurance carried is $1,342,000,000 of which $375,000,000 is held by Canadian members. In Canada these twenty-two societies have disbursed in death and disability benefits $100,000,000.

Hail Losses Exceeded Premiums in Year 1921

The striking point in the report of hail insurance this year is the fact that there was actually more paid out in losses than we have received in premiums. The losses are represented by $4,718,786 and the premiums received amount to $4,371,348. The premiums and losses for a year ago are $5,800,026 and $2,371,270 respectively. There were claims amounting to $143,040 resisted as against no cases of last year.

Hail Insurance in 1921

Companies—	Prem.	Losses
Acadia Fire	$28,577	$27,442
Aetna Insurance	20,178	21,904
Alliance Assurance	129,626	156,049
Bee Hail	102,743	80,462
British America	77,080	64,483
British Crown	195,903	167,808
British Traders	103,959	133,272
Canada Security	298,724	322,446
Canadian Indemnity	178,330	160,079
Car and General	172,372	134,730
Connecticut Fire	159,560	169,793
Continental Insurance	145,982	142,839
Dominion Fire	97,339	116,518
Eagle, Star and British Dominions	100,993	70,298
Employers' Liability	96,037	113,533
Excess	118,142	126,232
Federal	42,779	58,823
Fidelity-Phenix	80,368	87,397
Gen. Accident of Can.	19,164	7,426
Gen. Acc, Fire & Life	162,311	133,564
Glens Falls	159,560	169,699
Great American	53,952	30,426
Hartford Fire	466,349	549,250
Home Insurance	429,965	698,703
Insurance Co. of N.A.	25,220	24,043
London Guarantee & Accident	138,452	149,013
Merchants Fire	142,771	172,117
National Benefit	47,766	47,303
National Union	50,019	38,619
Niagara	11,473	9,912
Occidental	26,019	24,635
Phoenix Insurance	159,560	169,793
Scottish Canadian	16,782	10,906
Springfield	20,178	31,120
Sterling	32,925	32,872
Union of Canton	87,278	62,042
Westchester	159,560	169,793
Western Assurance	13,352	28,411
Totals	4,371,348	4,718,786

FIRE INSURANCE
THE LONDON ASSURANCE
OF ENGLAND
Tested by the Fires of Two Centuries
Assets Exceed - $42,500,000
Applications for Agencies Invited
ADDRESS:
Jas. A. Pert, Superintendent, 222 Portage Avenue, Winnipeg.
D. L. Durrant, Inspector, Room 404, 36 Toronto Street, Toronto.
Lucien Vallee, Inspector, 17 St. John Street, Montreal.
W. L. Doherty, Inspector, 96 Prince William Street, St. John, N. B.
H. W. Bell, Inspector, 102 Ross Building, Saskatoon Sask.
HEAD OFFICE FOR CANADA: MONTREAL

Send SUB-STANDARD FIRST IN THE NORTHWEST Us ASSURANCE
There is no need for you to fight shy of those "lives" that you know are not "standard" risks. Write us about the cases your company will not accept and save the commissions you otherwise lose. The Northwestern is the fastest growing life company in the Dominion, and the most progressive.
The NORTHWESTERN LIFE ASSURANCE COMPANY
H. R. S. McCABE MGR-DIR. F. O. MABER SEC-TREAS
NORTHWESTERN BLDG. 166 DONALD ST., WINNIPEG CAN.

THE WAWANESA MUTUAL INSURANCE COMPANY
Head Office - Wawanesa, Manitoba
BALANCE SHEET
For Year Ending December 31st, 1921

RECEIPTS

Cash on hand, Dec. 31st, 1920	$ 2,179.28
Cash in Bank, Dec. 31st, 1920	121,196.51
Premiums	77,839.30
Assessments	245,105.89
Interest	18,534.27
Total	$464,855.25

EXPENDITURES

Losses	$221,109.55
Salaries	38,218.67
Agents' Commissions	50,952.25
Fire Inspection	7,585.62
Printing and Stationery	5,249.85
Postage	5,788.06
Rebates	4,091.21
Advertising	2,594.47
Directors' Fees	908.55
Office Furniture	423.97
Travelling Expenses	3,131.65
Fuel and Light	1,441.06
Audit, 1920	750.00
Audit, 1921	988.50
Legal Expenses	737.02
Freight and Express	167.14
Telephone and Telegraph	231.74
Taxes, Government and Local	3,636.08
Commission on Collections	304.45
Insurance Premiums	198.00
Caretaking	624.00
Licenses	415.00
War Tax Stamps	288.88
Sundries	2,116.49
Alberta Government Bonds	14,784.20
Saskatchewan Government Bonds	9,900.00
Cash in Bank Dec. 31st, 1921	86,463.06
Cash on hand Dec. 31st, 1921	1,760.78
Total	$464,855.25

ASSETS

Prem. Notes on hand		$1,404,328.99
Office Building & Lots		16,763.91
Office Furniture	$5,095.75	
Less depreciation	467.17	
		4,628.58
Premiums in Agents hands		109.29
Dominion War Bonds		29,000.00
Victory Loan Bonds		262,900.00
Province of Saskatchewan Bonds		10,000.00
Province of Alberta Bonds		15,000.00
Accrued Interest		3,286.05
Cash in Bank Dec. 31st, 1921		86,463.06
Cash on hand Dec. 31st, 1921		1,760.78
		$1,834,240.66

LIABILITIES

Reserve for unearned Prems.	$115,252.12
Policies in force, Dec. 31st, 1921	42,312
Insurance in force, Dec. 31st, 1921	$98,677,999
Increase in business during 1921	5,538,543

This is to certify that I have made an Audit of the Books and Accounts of your Company for the year ending December 31st, 1921, and that this statement of Assets and Liabilities, and of Receipts and Expenditures, is a true and correct one.

E. L. McDONALD,
Auditor.

Mount Royal Assurance Co.
Surplus and Reserves, $1,161,195
Total Funds, - - $1,659,432
Total Losses Paid, - $4,484,500
Applications for Agencies Invited
HEAD OFFICE - MONTREAL
P. J. PERRIN, *General Manager*

GUARDIAN ASSURANCE COMPANY
LIMITED
OF LONDON, ENGLAND
Capital Subscribed $10,125,000
Capital paid up 5,060,365
Total Investments exceed 45,000,000
Fire Insurance
at Moderate Rates
Head Office for Canada:
Guardian Building, MONTREAL
H. M. LAMBERT, - Manager
B. E. HARDS, Assistant Manager
Toronto General Agents:
Messrs. ARMSTRONG, DeWITT & CROSSIN, Limited
36 Toronto Street, Toronto

NOT A SIDE LINE ISSUE
The Bee Hail Insurance Company
of Paris, France
(L'Abeille-Societe Anonyme
d'Assurance contre la Grele)
Has been exclusively in the hail insurance business for 65 years.
Cash Capital - - $ 800,000.00
Total Assets - - 2,737,372.00
Applications for Agencies invited by
BRYDGES & WAUGH, LTD., of Winnipeg, General Agents for Manitoba
McCALLUM, HILL & CO., of Regina, General Agents for Saskatchewan
CREGAN BENJAMIN & BAKER, Ltd., of Calgary, General Agents for Alberta

Fire Agencies Open
throughout Canada. Apply
ESSEX & SUFFOLK
Equitable Insurance Society, Limited.
260 St. James St., Montreal | Paris Bldg., Winnipeg | 325 Homer St., Vancouver
120 Years Old—Great Resources

LIFE COMPANIES ENLIGHTEN PUBLIC AS TO PRINCIPLES

Are Spending Thousands to Show New Code of Ethics

INDICATE FUNCTION

Life Insurance Services to Home, Business and Nation Are Being Emphasized

Institutional advertising is nothing new; except, maybe in its application to life insurance. Fruit growers, coal merchants, automobile manufacturers, bicycle dealers and scores of others have employed it to advantage.

Life insurance offers an exceptionally fine opportunity for such co-operative advertising. First of all, because the principles involved are common to all of the companies. The salient thing to do is to stretch across the public's mind the function and purpose of life insurance, and what it will do—and is doing. This provides a story which can easily be treated in a campaign of this nature. Secondly, on account of the newness of the business. It is the last great service institution to arise and on that account it is not commonly understood by the people, despite the simplicity of its nature and also the fact that it is based upon such well-founded sciences. Then the rapid development of the business has caused it to go ahead of the public consciousness. One has but to reflect that fifty years ago there was less than forty-six millions of dollars of business in force, as compared to a total of three billion dollars of life insurance protection at the end of 1921: Even going back a decade, to 1911, there was just one-third of the amount of insurance in force as at the close of 1921.

Still another reason for advertising life insurance institutionally is to show the adaptability of life insurance to practically every human need involving life and money. This adaptability of life insurance seen in business insurance, monthly income, group insurance and other branches of the business, has of course been largely responsible for its great development and advancement. The adaptability of life insurance to human needs forms one of the great stories for this advertising campaign, it being very little appreciated or understood by the average citizen.

Some Interesting Facts

Life insurance affords wonderful scope for the advertising man and particularly for the writing of institutional advertisements. As a background for such a campaign there are such facts as the following:

One thousand persons a day on the average are turning to life insurance for the purpose of carrying out some part of their life's programme.

The people of Canada are to-day

THE CONSERVING FORCE of Life Insurance was the theme of the 1921 campaign of the Canadian life companies. No attempt was made to sell policies to the public but rather to make the extent of life insurance service better understood.

insured for three billions of dollars, more than enough to provide for four hundred thousand widows and orphans for twenty years, or to purchase seven hundred and fifty thousand homes at four thousand dollars each, or to furnish an education to over a million children.

Never has there been a failure of a Canadian life insurance company to the loss of a dollar of any policy holder.

Life insurance is the friend alike to the living policyholders and the beneficiaries of the deceased. No one would gainsay the value of life insurance to dependents of persons who had died leaving dependents. In complement to this, however the companies are to-day paying out more money to living policyholders than they are to the beneficiaries of the deceased. This is true in the experience of the past decade, despite the heavy death losses resultant from

THE SPIRIT OF LIFE INSURANCE hovering protectingly over Canadian homes, businesses, farms, etc., will be the dominating feature of the institutional advertising campaign in 1922 of the life insurance companies.

the Great War and the influenza epidemic.

At least fifty per cent. of all estates at death consist of life insurance; many people are unable to leave anything else to their families. This, in view of the fact that life insurance is but in its infancy, indicates its place and sphere in the lives of the people of Canada.

Works For The Nation

Then again, there is the fact that while life insurance is doing all these for Canadians as individuals, it is also doing tremendously large and equally important work for Canada as a whole. From the premiums received, life insurance companies have built up trust funds amounting to some seven hundred millions of dollars and these are carefully invested in Dominion, provincial and municipal securities, mortgages, agricultural, industry and other stable enterprises which go to develop the country and make it a better place in which to live.

These investments in government and municipal securities by the life insurance companies to the extent of one-half of their entire assets, means more than three hundred million dollars for the building of schools, roads, bridges, public buildings, hospitals, asylums, welfare institutions; it means also police and military protection; defraying the cost of the war and the carrying on of government. Then another three hundred and fifty millions is going to aid in the development of agriculture, making conditions easier for those on Canada's farms; helping to provide transportation facilities to unite east and west; and to further the basic industries of the country.

The life insurance companies have become great reservoirs for the people's money, granting them protection for many times the annual premium paid in, and while holding the money for the day of call, it performs an equally important service "as it waits." The two-fold service of life insurance is a fact not hitherto displayed and becomes a distinct theme for institutional advertising. Truly life insurance is the great friend of the people and the nation.

The first life insurance advertisement of the Institutional Advertising campaign appeared in the press early in May of last year. The campaign was continued with great success, the style of the campaign and the theme of the copy being modified slightly, although adhering to the general principles outlined above. A new series is about to be launched, the message being conveyed largely through an appeal to the eye by the use of art work. Life insurance protection is symbolized as "a guardian angel" and is seen in outline figure in the background of the respective sketches.

The success of the campaign so far has been the evidence that it is performing the service which it has started out to do. Founded upon such high principles and being so interwoven into the lives of the individual and the nation, life insurance has much to gain by such a campaign of public enlightenment.

Inland Transportation 1921

Companies—	Prem.	Losses
Aetna Insurance . . .	$ 431	$ 19
Alliance Insurance . .	522	101
American and Foreign	25,102	5,247
British America . . .	4,161	229
British and Foreign . .	550	600
Columbia	10,264	5,041
Fireman's Fund . . .	8,037	39,942
Glens Falls	888	1,225
Globe and Rutgers . .	1,447	488
Great American . . .	35	None
Hartford Fire	44,051	20,385
Insurance Co. of N.A.	26,647	4,274
London Assurance . .	25,022	500
Marine	32,664	4,762
Ocean Marine	3,812	1,177
Queen of America . .	20	None
St. Paul Fire	31,676	14,121
Union Assurance . .	5,605	809
Union Marine	598	None
Union of Canton . . .	69,308	88,563
Western	38,188	10,562
Totals	323,518	143,040

Live Stock Insurance 1921

Companies—	Prem.	Losses
General Animals	$48,168	$28,607
Hartford Live Stock .	27,895	40,415
Yorkshire	28,442	48,849
Totals	104,505	112,871

SASKATCHEWAN IS HIT HARDEST BY TORNADO LOSSES

Several Heavy Storms During Past Year But Companies Break Even

Losses due to windstorms and tornados in Canada were fairly heavy during the past year, due to comparatively heavy snow storms, though none were in comparison with the record storm of November 1919. The experience of one company writing this form of insurance and which has many branches throughout the Western provinces is fairly representative of the condition found by all companies.

Saskatchewan suffered the greatest damage, Alberta came next and Manitoba suffered losses to some extent. On the whole the company just about broke even.

As the result of the company's experience following the record storm the minimum loss has been placed at $25. In that storm 70 p.c. of the claims paid were below this amount. The amount of adjusting and necessary work which these petty claims entailed can only be imagined; suffice it to say that the head office of this company employed extra help for six months to get the claims of that one storm cleared.

Abstract of Tornado Insurance in Canada in 1921

	Premiums	Losses
Ætna	2,218	2,224
American Central . . .	1,449	159
Continental	1,658	1,608
Fidelity-Phenix	1,762	1,767
Girard Fire & Marine	29	None
Glens Falls	989	3,709
Great American . . .	1,415	951
Hartford Fire	26,234	4,783
Home Insurance	41,356	24,860
Insurance Co. of State of Pa.	871	12
Nat. Fire of Hartford	1,494	None
National Union	2,984	1,185
Niagara	205	—4
Northwestern National	268	4,140
St. Paul Fire	7,527	8,731
Scottish Union	1,921	1,082
Springfield Fire	3,493	16
Sterling	304	None
United States Fire . .	725	4
Totals	94,408	55,227

New Accident and Sickness Policies

(Continued from Page 17)

monthly sum is paid the assured until the disability disappears. In this the total disability clauses and the new temporary disability amendment have grown very popular; it is anticipated that the new departure will prove equally in demand.

May Be Retroactive

It has been stated that the noncancelable clause cannot be issued unless the assured carries life insurance. The point has been raised as to whether an applicant will require to take out a new life policy amounting to what is required to carry the other type, or whether he can base his application on life policies already in force for some years. Life men are taking it for granted that an existing policy covers the point, the only difficulty being that the life policies would expire before the accident or sickness so that perhaps it will be found necessary to make the latter date back to the issue of the life policy in order that both might mature together. In this case it is probable that the assured would be called on to pay a portion at least of the back premiums while the premiums covering the future would in that case be lower than if he were starting fresh from the present.

British Columbia Will Revise Insurance Laws

Insurance men are kept busy these days following the new legislation regarding their business passed by the various provincial houses. Ontario is re-drafting practically all of its insurance legislation, making some drastic changes. Prince Edward Island has had some new laws, chiefly aimed at restricting business in that province to local agents. Next to come into the field with important new legislation will be British Columbia. Revision of that province's insurance acts is being considered as a matter to be brought up at the autumn session of the legislature.

New Brunswick, Nova Scotia and Saskatchewan, have had no new insurance legislation to report during the past year.

Montreal is Head Office of New Insurance Co.

The Canadian General Insurance Company is being incorporated under Dominion charter with capital of $500,000. The classes of business authorized are livestock, plate glass, automobile, fire and some others. Provisional directors are Robert Ness of Howick, P. Q., and L. P. Berard, Nap. Rochon, D. Damase Genereux, Alphonse Champagne, Narcisse Perrault, Baron J. d'Halewyn, L. A. Lavallee and R. A. Leduc of Montreal. The head office will be in Montreal.

INCORPORATED A. D. 1833

British America Assurance Co.

FIRE, MARINE, AUTOMOBILE, RIOTS, STRIKES AND CIVIL COMMOTION INSURANCE

Assets over - - - - - - $3,600,000.00
Losses paid since Organization in 1833 over - $50,000,000.00

HEAD OFFICES

British America Assurance Buildings Cor. Scott and Front Sts., Toronto

THE TORONTO CASUALTY FIRE AND MARINE INSURANCE COMPANY

Head Office :- Lumsden Building, Toronto, Ont.

Automobile - Fire - Marine Guarantee - General Liability - Accident and Sickness - Electric Motor - Inland Transportation.

Agents Wanted

This Company's agents find that the insuring public responds readily to the merits and appeal of this "ALL CANADIAN COMPANY."

MONARCH LIFE ASSURANCE COMPANY

HEAD OFFICE—WINNIPEG

(Incorporated by Special Act of Dominion Parliament)

COMPARATIVE GROWTH

Year	Assurance in Force
1910—4th	$3,009,746
1912—6th	5,509,348
1914—8th	7,427,697
1916—10th	9,007,464
1918—12th	15,171,309
1920—14th	25,564,980
1921—15th	29,118,808

1921 INCREASES

Assurance in Force....................14%
Assets....................32%
Policy Reserves....................30%
Surplus....................108%
Average Interest Rate....................7.77%
Mortality Experience....................28%

LIBERAL PROFITS

First Quinquennium	Life Ordinary	Life 20 Payments	Endowment 20 Years
Cash	$187.70	$220.80	$264.00
Increased Insurance	645.20	523.70	421.40
Premium Reduced	41.00	48.20	57.70

We have splendid opportunities for men of character, vision and industry to take part in our progressive development in every province.

This may be opportunity knocking at your door. Why not be alert and seize it **NOW?**

Directors and Officers

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CRIME EPIDEMIC CAUSES HEAVIER BURGLARY LOSSES

Liquor Thefts Forced Companies to Greatly Increase Their Rates

VAULT INSURANCE

Latest in Burglary Insurance Covers Theft or Hold-up in Vault or on Bank Property

During the past year many companies writing burglary insurance experienced a very trying year. Losses were heavier. In many of the large centres of Canada, there was a veritable outbreak of residence burglary, and as the companies have not the same facilities for investigating claims, as in the case of a fire insurance company, they had nothing else to do but pay up. The situation has become so bad that the companies are only insuring those of high reputation.

Many policies are so broad in application that mere disappearance constitutes sufficient ground for a claim to be made. The instance is given of a large household, where a piece of linen was missed, and later another piece; this led to a thorough search being made and a whole chain of articles were found to be missing. The claim was made and the company had to make good, but the company was convinced that the loss of these articles was due entirely to the carelessness of the servants. Another case is given of a man who was referred to a company to be covered for burglary insurance. He was not known to the company in question, but as far as they could find out he was a good risk and he was insured. Three weeks later this man reported a burglary and a loss of $1,000, which the company had to make good; the same week he disappeared. The company made enquiries but never gained any information and they are of the opinion that the man never even had goods to that value in his house. They simply had to take his signed declaration.

Effect of Prohibition

Liquor thefts have become so heavy that all the companies are now placing restrictions on the amount of their policies. The following addition was made to the Canadian Burglary Manual last September; "This policy covers liquors and other alcoholic beverages lawfully owned by the assured at the time of the loss or damage. The company's liability under this section shall not exceed the amount actually paid by the assured for such property." The premiums have become so heavy on liquor coverage that one company charges as high as $10 for $100 worth of insurance.

Burglary Insurance in 1921

Proof that the crime epidemic of two years ago has not entirely subsided is shown in the total losses of the past year which were over $100,000 greater than 1920. The actual figures indicate losses of $344,346 as compared with $244,166 of a year ago. In all the hundreds of cases that came up for examination by the companies only three claims amounting to $15,185 were contested. 1921 premiums were $680,369 in 1921 as against $481,019 in 1920.

Burglary Insurance in 1921

Companies—	Prem.	Losses
Alliance Assurance . .	$22,727	$10,150
American Surety . ..	9,416	11,977
Canada Accident . . .	14,533	10,583
Canadian Surety . . .	21,280	20,901
Dominion Gresham ..	61,766	48,381
Dom. of Canada Guarantee and Accident	17,177	6,416
Employers' Liability..	42,337	1,948
Fidelity and Casualty.	39,378	24,543
Gen Accident of Can.	22,115	8,335
Globe Indemnity	10,338	7,432
Guardian Ins. of Can.	17,085	6,359
Hartford Accident . .	18,652	7,559
Law, Union and Rock.	12,217	12,119
London & Lanc. Guarantee and Accident	2,991	492
Maryland Casualty ..	68,689	58,567
National Surety . . .	27,255	20,545
North Amer. Accident	4,046	3,761
Northern Assurance..	5,621	1,580
Ocean Accid. & Guar.	12,987	7,242
Railway Passengers ..	3,149	186
Royal Indemnity . . .	58,876	20,696
Travelers Indemnity..	107,770	33,877
U.S. Fidelity and Guar	79,964	20,697
Totals	680,369	344,346

Robbery Insurance in 1921

Companies—	Prem.	Losses
Dom. of Canada Guarantee & Accident.	$ 559	None
Employers' Liability..	9,395	None
Gen. Accident of Can.	2,971	None
Totals	12,925	None

A PROFITABLE LINE

In 1920 there was $636 of premiums written by forgery insurance companies. In 1921 the premiums were $45,880 and the sum of $2,508 was paid out in claims. One company wrote the bulk of this insurance and also suffered the larger part of the losses.

Forgery Insurance in 1921

Companies—	Prem.	Losses
Canadian Surety . .	$ 190	$ 359
Globe Indemnity . . .	119	None
Maryland Casualty ..	236	None
National Surety . . .	45,007	2,149
U.S. Fidelity & Guar.	328	None
Totals	45,880	2,508

Trend of Insurance Co's. Investments

(Continued from Page 17)

in the interest returns of the Great West Life. Their average rate of interest return has been as follows:

1912	1913	1914	1915	1916
7.92%	7.92%	7.93%	7.64%	7.58%

1917	1918	1919	1920
7.36%	7.16%	7.08%	7.20%

The gradual drop in the interest rates can be explained by reference to their record of assets. In 1914, when the rate of return was at its highest, 7.93 per cent., the company had total assets of $16,750,000. Of this, $11,650,000 was invested in mortgages and only $312,000 in bonds. In 1920 when the rate was 7.20 per cent. the company had ledger assets of $35,000,000. Of this total, $17,750,000 was in mortgages and over $11,200,000 in bonds, certainly a very decided change in investment policy.

Invests Chiefly in Bonds

The figures of the National Life, which invests practically entirely in bonds may be taken to show how such a company has had its interest rate increased very materially by the war time change in investment conditions. Its yearly return has been as follows:

1912	1913	1914	1915	1916
4.75%	4.99%	5.26%	5.36%	5.19%

1917	1918	1919	1920
5.44%	5.61%	5.52%	5.79%

A Different Policy

The Sun Life is a company with a somewhat different investment policy. It buys heavily of railway, industrial and utility bonds and preferred stocks. Naturally its annual rate of interest return varies more than most companies but on the average there has been little change in its interest return. The record is as follows:

1912	1913	1914	1915	1916
6.03%	6.51%	6.76%	6.20%	5.89%

1917	1918	1919	1920
5.92%	5.64%	5.68%	5.76%

The Canada Life has always attempted a consistent division of its assets between mortgages and bonds. It was once a heavy lender on mortgages. For some years past though, a larger proportion of its assets has been diverted to bonds but that the proportion has been determined carefully is shown by a steady rise in the company's rate of interest. The record is as follows:

1912	1913	1914	1915	1916
5.57%	5.74%	5.76%	5.69%	5.85%

1917	1918	1919	1920
5.83%	5.83%	6.06%	6.10%

FIRE INSURANCE ON MUTUAL PLAN GROWS IN CANADA

Arguments of Those Who Are Backing This Form of Insurance

The application of mutual insurance in the fire branch while not as universal as in life insurance has nevertheless proven itself to be equally satisfactory when conducted under proper conditions and in accordance with the fundamental principles of fire insurance.

Less than a quarter of a century ago four fire companies were being operated on the mutual plan in England. These were the Essex and Suffolk, County, Hand in Hand and Westminster. Eventually they were bought up by the larger companies operating on the stock system.

The mutual system in the United States has been developed on a large scale and at December 31, 1920, Best's Manual which is a standard authority regarding fire insurance on this continent gives a list of some one hundred companies with assets of $417,935,550 and cash surplus of $65,199,200.

To-day they are writing approximately 35 per cent. of the total fire insurance premiums of the United States.

According to advocates of the mutual plan, the essential feature of mutual insurance is co-operation on the part of the shareholders combined with the system of inspection and elimination to a large extent of the middle man. The result, they state, is lower expense and loss ratios and as the profits of the business minus a small percentage for guarantee fund go to the policyholders it is felt by them that mutual insurance must keep on expanding

The mutual system of fire insurance in Canada has hitherto been worked on a very limited scale but several of the strong United States companies have recently entered this country for business complying with the usual Dominion government requirements as to deposits, reserves, etc.

Rain Insurance in 1921

Companies—	Prem.	Losses
Hartford Fire	$18,682	$ 5,363
Home	2,036	1,326
Totals	20,718	6,689

Crop Insurance in 1921

Companies—	Prem.	Losses
Home Insurance. . .	$12,268	$40,091
Totals	12,268	40,091

INSURING STEAM BOILERS IS WIDE IN APPLICATION

Development of Policies in 65 Years Has Brought Many Changes

Steam boiler insurance has been written in some form for 65 years, first in England and later in America, where it developed into one of the most important branches of the casualty insurance. In spite of the unmistakable tendency of employers to instal electrical units each year, this form of insurance has grown in popularity every year. There is still a large number of places where steam is almost indispensable, such as in the pulp and paper industry, furniture factories and tanneries. As progress is made in the industrial world, the policies covering every year become broader in application.

The up-to-date policy now can be written to cover property damage only, or to include personal injuries, including death to the public and to the employer or both. It can also be extended to cover consequential losses caused by breakdowns and also occupancy. The property feature covers damage to the insured object also other property of the insured and the property of others, wherever located for which the assured is legally liable. The employees coverage applies to where the assured does not carry any form of compensation or employees liability insurance. Public includes any person or persons not on the assured's payroll and not the assured. Consequential loss covers indirect loss, such as might be caused by unsuitable temperatures due to failure of the insured object to function, on account of accident. This is a valuable form of protection for greenhouses and cold storage plants.

Boiler Protection

The average boiler policy, while originally designed to cover the boilers used for the generation of steam only, can now be extended to cover any vessel or apparatus subjected to internal pressure, except those containing explosive or inflammable gases. Steam and pressure piping can also be covered and should always be included in a boiler policy. Usually the main steam pipe section of the policy is extended to cover all steam piping throughout the premises.

Losses are But a Trifle

Boiler insurance losses for the past year amounted to $3,436, while in 1920 there were no losses at all experienced. The amount of new premiums written show a material decrease from $148,525 of a year ago to $88,302 for the past year. This would indicate the greatly restricted amount of building during the past year. As in the report for 1920 there were no claims contested.

Abstract of Steam Boiler Insurance in Canada in 1921

	Premiums	Losses
Boiler Inspection . . .	129,820	5,483
Employers Liability . .	3,693	None
Fidelity and Casualty .	37,019	3,283
General Accident of Canada	42,886	8,686
Hartford Steam Boiler	1,200	None
Maryland Casualty ...	19,580	3,466
Royal Indemnity	29,891	9,349
Travelers Indemnity .	77,562	2,405
Totals	341,651	32,672

Explosion Insurance in 1921

Companies—	Prem.	Losses
Continental	$ 6,884	$None
Employers' Liability..	3,346	892
Equitable Fire	595	None
Fidelity-Phenix . . .	9,337	None
Glens Falls	5,230	289
Globe and Rutgers . .	33,918	2,250
Great American . . .	237	5
Hartford Fire	2,190	None
Home	5,260	None
Insurance Co of N.A.	11,182	None
Liverpool-Manitoba ..	516	None
Niagara	— 70	None
Provid. Washington..	4,011	None
Scottish Union. . . .	678	None
United States Fire ..	2,539	None
Westchester	796	None
Western	1,653	None
Totals	88,302	3,436

Liability Insurance 1921

Companies—	Prem.	Losses
Alliance Assurance . .	$39,878	$ 3,733
Canada Accident . . .	59,619	23,623
Car and General . . .	2,401	1,059
Contin. Casualty. . .	86,692	34,162
Dominion Gresham ..	46,299	6,768
Dom. of Canada Guarantee and Accident	9,472	1,763
Employers' Liability..	647,192	279,594
Fidelity & Casualty..	8,592	603
Gen. Accident of Can.	99,708	33,256
Globe Indemnity . ..	214,327	166,168
Guardian Ins. Co. of Canada	43,647	4,580
Hartford Accid. & Ind.	6,638	268
Imp. Guar & Accid. Co	3,944	576
Imperial Underwriters	242	None
Law, Union and Rock.	34,275	66,572
London Guar. & Accid.	159,451	—44,244
Lon. & Lanc. Guarantee and Accident ..	24,696	9,231
Maryland Casualty ..	69,095	21,609
Merchants & Employ.	149,432	75,716
Motor Union	735	None
N. Amer. Accident....	244,162	161,573
Northern Assurance .	15,908	3,476
Norwich Union Fire..	34,045	8,248
Ocean Accid. & Guar.	176,142	63,723
Railway Passengers..	97,970	37,742
Royal Exchange . . .	42,877	15,466
Royal Indemnity. . .	15,785	3,582
Scottish Metropolitan.	147,893	103,620
Sun	4,490	426
Travelers Insurance. .	338,599	146,621
U.S. Fidelity & Guar.	112,646	83,166
Yorkshire	125,208	59,037
Totals	3,062,060	1,321,657

A Sound Business Idea

Many concerns are built round a man whose experience, technical knowledge, efficiency, or capital make him one of the most valuable assets of the organization.

Assure His Life

Business Assurance augments capital, improves credit, extends borrowing capacity and provides funds which can be used to extend the business.

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HEAD OFFICE—MONTREAL

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of the homes in London, and 22,181 homes in the surrounding country are covered by our net paid circulation. We are members of the Audit Bureau of Circulations and our records are open at all times for the investigation of our advertisers.

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GREAT BRITAIN - Robt. Houston - 1 Arundel St., W.C. 2, London

ABSTRACT OF FIRE INSURANCE IN CANADA IN YEAR 1921

British Companies Canadian Business Only

Companies	Net Premiums Written	Gross Premiums Written	Gross amount of policies new and renewed	Net amount at risk at date	Net amount of losses incurred during the Year
	$	$	$	$	$
Alliance	371,440	421,295	39,109,827	55,065,060	195,366
Atlas	783,557	943,680	81,033,938	95,385,966	367,531
Autocar	21,948	25,414	2,360,080	1,976,898	1,856
British Crown	494,327	714,238	58,788,701	55,720,960	363,174
British General	114,081	181,901	21,384,626	12,750,960	48,267
British Oak	21,513	24,229	1,920,240	1,914,740	None
British Traders	252,078	321,978	25,309,997	25,235,287	158,156
Caledonian	464,464	659,616	58,953,856	73,284,315	248,722
Car and General	162,710	252,389	54,502,568	10,097,145	44,923
Caxton	15,378	62,102	5,467,897	None	30,519
Century	284,782	422,526	40,558,340	33,148,340	141,355
China	7,986	13,572	899,812	725,146	2,721
Commercial Union	987,681	1,272,106	131,465,322	144,099,659	617,201
Eagle, Star & British Dominions	408,691	591,637	64,045,950	50,428,197	252,877
Employers' Liability	729,124	924,336	89,036,613	98,653,625	369,382
Essex and Suffolk	80,986	214,270	19,932,474	8,031,179	28,484
General Accident, Fire	393,792	492,240	47,487,712	56,237,863	261,397
Guardian Assurance	1,585,749	1,891,261	160,790,095	189,349,990	877,686
Law, Union & Rock	324,029	403,666	38,114,061	48,590,845	144,714
Liverpool and London and Globe	1,483,062	1,818,455	154,720,682	203,679,405	746,720
London Guarantee	620,068	899,825	71,224,219	69,850,725	618,332
London and Lancashire	1,068,048	1,282,753	127,906,094	150,510,598	459,289
London Assurance	559,682	656,960	60,240,674	77,246,229	293,324
Merchants Marine	149,511	188,999	18,760,361	14,186,819	29,069
Motor Union	100,665	121,977	13,091,282	9,447,684	16,945
National Benefit	113,316	152,282	12,561,100	9,891,180	86,562
Nat. Prov. Plate Glass	66,360	89,384	12,779,282	5,907,365	19,190
North British and Mercantile	1,118,728	1,393,466	126,057,090	156,583,092	625,497
Northern Assurance	1,066,707	1,281,308	108,322,596	131,104,150	636,137
Norwich Union Fire	1,097,287	1,341,369	106,143,811	137,171,404	543,169
Ocean, Accident & G'tee	288,226	384,262	33,477,055	36,119,523	216,616
Palatine	409,238	514,098	44,925,331	48,314,439	205,363
Patriotic	13,259	14,071	2,792,512	2,475,479	94
Phœnix of London	1,225,358	1,715,758	137,947,486	155,666,550	652,098
Provincial	183,829	214,134	20,359,452	21,778,061	90,060
Queensland	275,562	326,333	30,477,613	28,528,224	154,066
Royal Exchange	634,612	846,306	83,356,091	87,815,701	268,729
Royal Insurance	1,895,578	2,381,598	219,915,642	292,342,356	1,175,870
Royal Scottish	201,235	259,589	23,349,904	20,410,022	106,805
Scottish Metropolitan	152,000	187,767	16,332,628	16,032,730	50,565
Scottish Union	414,768	488,840	48,609,958	65,549,957	185,919
Sun Insurance	871,446	1,066,104	91,727,880	105,612,875	431,731
Traders and General	188,111	262,845	20,589,191	15,521,653	126,735
Union Assurance	690,984	918,179	88,916,482	91,548,989	415,207
Union of Canton	537,632	695,159	61,853,192	57,676,579	421,179
United British	43	43	6,350	6,350	None
Yangtsze	45,788	58,906	9,874,736	5,051,334	26,223
Yorkshire	497,745	634,479	49,774,080	67,384,825	421,588
Totals for 1921	$23,413,829	$30,022,679	$2,732,749,175	$3,039,109,169	$13,170,323
Totals for 1920	$25,332,651	$31,397,346	$2,991,753,750	$3,005,713,004	$11,229,301

*For Automobile (A) business, see automobile table.

Canadian Companies

Companies	Net Premiums Written	Gross Premiums Written	Gross amount of policies new and renewed	Net amount at risk at date	Net amount of losses incurred during the Year
	$	$	$	$	$
Acadia Fire	229,319	496,300	35,301,314	28,247,169	142,185
Antigonish Farmers	1,322	1,322	111,750	778,618	43
Beaver Fire	85,868	133,111	9,682,118	5,586,218	9,283
British America	645,963	1,309,499	117,946,281	123,271,409	381,626
British Colonial	301,644	445,069	28,940,466	24,049,614	142,245
British Northwestern	177,769	329,828	30,335,769	20,967,398	76,211
Canada Accident & Fire	127,494	285,718	24,820,227	11,761,351	46,151
Canada National	219,161	397,660	28,980,702	28,205,325	94,941
Canada Security	98,842	255,947	17,813,049	10,465,127	58,212
Canadian Fire	376,594	741,026	52,014,027	46,953,277	145,171
Canadian Indemnity	119,294	195,000	12,441,648	11,374,569	58,489
Canadian Lumbermen's	727	39,235	1,607,054	None	None
Cumberland Farmers	1,594	1,942	193,550	520,725	2,269
Dominion Fire	437,615	760,432	60,206,715	72,581,677	276,601
Dominion of Canada Guarantee and Accident	77,040	133,275	13,183,798	20,053,925	23,109
Fire Insurance Co. of Canada	199,503	458,916	44,584,410	25,431,517	103,134
General Accident of Canada	48,616	110,881	10,743,172	11,812,211	21,627
Globe Indemnity	164,128	389,503	37,987,187	27,318,393	55,242
Grain Insurance	282,181	241,178	23,819,123	18,510,913	117,291
Guardian Insurance of Canada	60,336	233,373	19,989,106	5,288,534	35,617
Halifax Fire	30,323	54,631	1,525,588	4,794,447	13,334
Hudson Bay	185,419	358,041	27,469,056	24,218,018	127,203
Imperial Underwriters	153,739	358,916	38,930,568	32,520,944	62,281
Kings Mutual	22,116	22,981	1,772,114	5,566,826	12,261
Liverpool Manitoba	270,240	533,017	44,226,593	38,569,232	107,053
London Mutual	352,337	1,121,458	109,523,224	56,763,474	413,580
Mercantile	282,844	385,867	34,087,370	42,128,797	120,725
Mount Royal	859,066	1,241,075	98,631,772	88,154,794	379,139
Mutual Fire	19,762	20,599	1,014,170	1,509,646	8,920
North Empire	175,787	426,143	31,058,607	15,751,394	121,564
North West	159,592	284,329	23,656,087	20,757,205	79,710
Occidental	238,093	499,492	34,767,254	26,130,090	149,973
Pacific Coast	169,098	333,120	18,837,,701	12,369,955	66,018
Pacific Marine	27,720	46,741	2,563,418	1,858,391	30,250
Pictou County Farmers	4,547	4,585	519,375	1,536,775	387
Quebec	355,872	425,472	40,567,724	49,081,151	121,763
Reliance	11,706	28,266	2,162,893	1,065,715	1,258
Scottish Canadian	65,745	162,997	10,217,170	4,866,194	27,853
Western	737,191	1,690,603	154,705,937	138,765,098	448,378
Totals for 1921	$7,372,567	$14,937,898	$1,247,140,042	$1,046,125,611	$4,088,002
Totals for 1920	$8,003,456	$15,756,210	$1,500,412,316	$1,101,953,061	$3,274,484

* For Automobile (A) Business see automobile table.

Foreign Companies Canadian Business Only

Companies	Net Premiums Written	Gross Premiums Written	Gross amount of policies new and renewed	Net amount at risk at date	Net amount of losses incurred during the Year
	$	$	$	$	$
Ætna	493,925	648,338	66,301,227	69,051,090	261,584
Agricultural	63,652	90,745	7,308,886	5,593,429	24,660
Alliance Insurance	161,588	267,029	31,342,965	22,448,143	113,018
American Alliance	5,504	25,817	1,702,747	415,685	1,110
American Central	227,566	314,945	37,339,519	27,347,408	127,963
American Equitable	111,018	143,670	12,396,149	9,489,045	80,609
American Insurance	64,558	98,547	8,459,674	6,755,541	32,460
American Lloyds	12,934	17,175	4,200,138	3,641,053	3,885
Boston	99,378	163,081	13,393,941	8,504,102	62,635
Caledonian-American	64,990	127,363	11,165,859	6,766,156	16,830
California	107,739	134,738	13,100,157	11,339,747	46,707
Citizens of Missouri	36,384	47,204	3,047,045	3,510,018	17,169
Columbia	127,469	223,371	18,461,180	11,578,579	92,646
Commercial Union of New York	7,354	17,060	1,092,946	895,346	2,492
Connecticut	188,809	296,398	26,569,801	23,161,771	85,116
Continental	496,665	679,975	69,317,638	63,191,518	337,496
Equit. Fire & Marine	49,387	244,508	23,381,864	6,178,979	34,904
Fidelity—Phenix	466,780	612,531	61,363,517	53,237,038	284,092
Fire Association of Philadelphia	67,524	91,849	7,473,619	6,061,936	42,000
Fireman's Fund	219,512	271,312	25,958,046	30,233,277	142,972
Fireman's Insurance	97,131	120,138	9,487,848	14,719,736	71,777
General of Paris	140,727	209,524	21,866,662	17,525,187	96,669
Girard	22,071	33,471	3,453,566	3,430,813	21,638
Glens Falls	206,542	336,907	30,586,233	24,592,595	174,640
Globe and Rutgers	830,060	1,166,353	119,800,534	101,810,835	699,160
Great American	517,223	752,142	80,339,344	68,067,422	346,565
Hardware Dealers	42,780	52,244	1,926,416	1,587,452	12,926
Hartford Fire	1,539,646	1,910,646	211,939,594	205,598,218	615,387
Home Insurance	1,711,785	2,200,041	175,760,150	176,725,183	1,253,274
†Individ. Underwriters	1,919	3,778	975,000	975,000	500
Insurance Company of North America	807,139	1,186,539	135,151,876	114,742,737	479,650
Insurance Company of State of Pennsylvania	147,252	192,868	20,468,089	18,674,348	123,530
Lumbermen's Underwriting	271,300	349,300	19,846,690	14,228,170	186,394
Manufacturing Lumbermen's	210,603	271,268	14,595,662	10,980,281	206,097
Manufacturing Woodworkers	76,895	125,378	6,713,567	3,257,772	114,578
Mechanics & Traders	22,545	34,375	1,244,927	1,039,826	19,601
Merchants Fire	102,087	127,131	11,691,587	10,222,556	29,598
Millers National	37,567	58,416	3,608,035	3,302,157	21,887
Minnesota Implement	42,780	52,244	1,926,416	1,587,419	12,926
National—Ben Franklin	157,432	192,624	15,747,331	22,815,581	69,356
Nat. Fire of Hartford	682,243	891,128	69,225,739	73,709,087	658,214
National Liberty	29,777	33,818	2,864,545	2,454,522	17,871
National Union	263,657	352,552	28,516,239	26,544,432	199,996
La Nationale	587,793	675,443	56,486,781	70,790,045	340,472
Newark	110,590	207,033	16,751,519	11,895,296	66,174
New Hampshire	71,482	117,280	10,417,935	6,487,974	60,174
New Jersey	64,497	90,876	7,9907,31	7,210,494	23,458
†New York Reciprocal Underwriters	4,121	5,032	1,515,000	1,515,000	None
Niagara	313,060	557,052	54,096,230	34,328,211	187,381
Northwestern Mutual	415,706	478,175	18,471,587	12,406,587	137,172
Northwestern National	281,326	318,301	25,722,395	37,495,575	99,896
Pacific Fire	30,667	33,777	3,747,058	3,443,692	6,655
Phenix of Paris	176,455	271,559	26,629,466	21,147,487	112,116
Phœnix of Hartford	424,633	740,560	65,877,527	60,430,744	243,361
Providence Washington	229,186	313,466	33,519,358	26,480,059	154,560
Queen of America	751,792	942,015	81,786,801	99,190,611	427,633
Retail Hardware	42,780	52,244	1,926,410	1,587,419	12,926
St. Paul Fire & Marine	380,808	538,920	52,803,341	46,646,372	147,297
Security	3,616	4,468	747,653	477,181	19
Springfield	381,280	662,744	77,185,594	53,251,095	289,090
Sterling	48,894	56,954	6,647,099	5,477,276	14,129
Stuyvesant	104,978	136,552	11,179,698	9,470,398	41,682
Tokio	88,067	111,296	11,519,598	8,331,510	18,851
L'Union of Paris	298,477	373,885	31,575,441	35,904,728	214,986
United States Fire	133,530	207,778	26,050,786	10,334,838	98,128
L'Urbaine	76,098	179,275	13,241,900	5,186,040	28,525
Vulcan	114,128	191,797	16,542,467	9,917,644	73,752
Westchester	250,495	404,771	33,875,234	24,477,270	168,784
Totals for 1921	$16,418,869	$22,834,784	$2,112,520,928	$1,902,123,271	$10,205,512
Totals for 1920	$17,191,830	$23,551,633	$2,298,504,593	$1,862,206,213	$ 8,457,300

† These figures represent only business transacted since date of license.

RECAPITULATION

Companies	Net Premiums Written	Gross Premiums Written	Gross amount of policies new and renewed	Net amount at risk at date	Net amount of losses incurred during the Year
Canadian Companies	7,372,567	14,937,898	1,247,140,042	1,046,125,611	4,088,002
British Companies	23,413,829	30,022,679	2,732,749,175	3,039,109,169	13,170,323
Foreign Companies	16,413,869	22,834,734	2,112,520,928	1,902,123,271	10,205,512
Totals for 1921	$47,199,765	$67,795,311	$6,092,410,145	$5,987,358,051	$27,463,837
Totals for 1920	$50,527,987	$70,705,189	$6,790,670,610	$5,969,372,278	$22,961,085

LARGER AMOUNTS ACCIDENT COVER WRITTEN IN 1921

No Serious Epidemic Occurred—General Health of Dominion Good

Companies writing accident and sickness insurance during the past year report a very favorable year's business. Not only did they have a larger volume of business but the number of claims paid was smaller. There were no serious outbreaks of sickness and the general health throughout the Dominion was better than for some years. The only increase of any extent was that reported by the companies who cover railroad accident and sickness policies.

In discussing the different items of the year's business, the claims adjuster for one of our large companies, stated that one kind of accident appeared to be on the increase; that of gas poisoning, caused by running motors in closed garages. Hardly a week passes but one or two people are killed by this means, more particularly in the colder weather. A man will go out to his garage in the early morning and start his car to "warm it up." Perhaps he has closed the door or it may have blown shut. While the motor is running it is throwing off through the exhaust large quantities of carbon monoxide, a very deadly gas. It is not very noticeable to the taste or smell and he is breathing in poison every minute. The effect is often fatal. Some of the companies have their policies so worded that they cover a motorist only when the motor of his automobile is running—on the open road for instance.

Insurance companies experience much trouble with petty claims, which agents often encourage their clients to send in. One company stated that in practically every case the agent favors the client rather than the company. An instance of this occurred only a little while ago. An agent sent in a recommendation for $150 as the payment to be made to a client. The claims-adjuster in examining the claim sensed something was wrong and acting on that impulse, sent the assured a cheque for $100 as the settlement. He was surprised to receive from the client a letter thanking him for his settlement and to make the climax complete, he received a letter from the agent also expressing his satisfaction at the way the matter had been settled.

Practically all the companies are now using a standard policy as to the benefits, although the rates vary considerably. The advantages of this method are obvious. It has been the policy of some companies in the past to write policies at rates so low as to be totally inadequate to cover benefits given, as an advertising medium for a year or so making a bid for new business.

Under the Dominion Insurance Act, an accident policy automatically becomes void, if the company can prove that death was due to disease. There in a case before the courts just now that will show the difficulties that the companies experience in settling a case of this kind. A brakeman, who had a form of heart trouble, fell from a box car and died a week later. The agent of the company simply sent a brief notice telling of the man's death. The company applied for further particulars, which should have been given in the first letter and also applied for permission to perform an autopsy. No reply was forthcoming for six weeks, too late for the company to gain any information from an autopsy in an effort to establish whether the man died from heart rouble or the accident.

Record of Accident Insurance

Total losses incurred in accident insurance during the past year show a small increase from $911,629 to $1,098,202 for 1921. The amount of new business written was practically unchanged at $2,454,999 as against $2,341,214 for a year ago. In the sickness insurance report loss of $1,001,183 is given in comparison to $1,068,450 of 1920. The volume of new business has increased slightly from $1,575,548 to $1,691,321 for the past twelve months.

Accident Insurance in 1921

Companies—	Prem.	Losses
Alliance Assurance	$32,935	$12,946
Canada Accident	52,691	33,929
Car and General	7,140	994
Continental Casualty	161,651	44,853
Dominion Gresham	32,648	26,192
Dom. of Canada Guarantee & Accident	355,676	110,664
Employers Liability	166,105	67,111
Fidelity and Casualty	69,034	24,529
Gen. Accid. of Canada	51,930	20,248
Globe Indemnity	172,598	72,338
Guardian Insur. Co.	18,455	11,533
Hartford Accident	3,523	543
Imperial Guar. & Acc.	159,578	66,496
Imperial Underwriters	296	30
Law, Union and Rock	12,409	7,476
London Guar. & Accid	114,426	69,707
London & Lanc. Guarantee and Accident	108,086	55,807
Maryland Casualty	37,738	15,151
Merch. & Employers	2,665	262
National Benefit	28,048	10,968
N. Amer. Accident	31,444	15,934
Northern Assurance	25,516	13,587
Norwich Union Fire	63,122	24,580
Ocean Accid. & Guar.	180,405	62,708
Preferred Accident	12,062	6,843
Railway Passengers	*47,975	32,101
Royal Exchange	12,747	3,268
Royal Indemnity	6,644	4,046
Scottish Metropolitan	57,856	26,532
Sun	1,040	160
Travelers Indemnity	42,200	15,359
Travelers Insurance	279,042	188,444
United Com. Travelers	30,276	25,747
U.S. Fidelity & Guar.	38,749	3,519
Yorkshire	38,294	23,597
Totals	2,454,999	1,098,202

Combined Sickness and Accident Insurance in 1921

Companies—	Prem.	Losses
Gen. Accid. of Canada	$94,645	$47,943
London Guarantee	22,139	10,086
Loyal Protective	228,650	133,219
Merchants Casualty	472,919	215,555
Merch. and Employers	37,431	14,858
Protective Association	249,024	122,714
Ridgely Protective	71,220	40,272
Western Casualty	29,437	9,486
Totals	1,205,465	594,133

Siskness Insurance in 921

Companies—	Prem.	Losses
Canada Accident	31,728	15,155
Alliance Assurance	34,554	46,177
Car and General	3,562	3,262
Continental Casualty	105,001	37,451
Dominion Gresham	36,034	30,411
Dom. of Canada Guarantee and Accident	222,347	106,648
Employers Liability	110,979	78,919
Fidelity and Casualty	85,618	61,265
Gen. Accid. of Canada	40,014	20,153
Globe Indemnity	126,421	67,094
Guardian Assurance	17,163	18,358
Hartford Accident	3,072	419
Imp. Guar. and Accid.	118,137	57,908
Imperial Underwriters	251	None
Law, Union and Rock	8,558	8,950
London & Lanc. Guarantee and Accident	89,302	67,785
London Guar. & Accid.	47,216	17,572
Maryland Casualty	47,037	29,211
Merch. and Employers	2,578	760
National Benefit	41,712	20,612
N. American Accident	26,516	18,207
Northern Assurance	24,814	17,670
Norwich Union Fire	68,065	40,675
Ocean Accid. & Guar.	86,894	42,207
Preferred Accident	7,078	3,936
Railway Passengers	29,252	18,716
Royal Exchange	6,379	4,985
Royal Indemnity	4,695	3,454
Scottish Metropolitan	61,117	34,985
Sun	1,145	281
Travelers Indemnity	128,728	79,961
U.S. Fidelity & Guar.	38,670	26,049
Yorkshire	35,694	26,947
Totals	1,691,321	1,001,183

Heavy Fire Loss Feature of 1921

(Continued from Page 17)

clause does not operate on a falling merchandise market as it does on a rising market such as was in evidence from 1916 to 1920 in most lines. Then the assured would lose, in such case of fire, if he failed to keep adding to his insurance so as to maintain it up to, say, 80 per cent. of the value of the goods. If he insured for only 70 per cent., he would receive only seventy-eightieths of the actual loss. Now that prices have fallen, the assured, realizing that only "replacement" values will determine the loss he can claim, has been reducing his insurance, 20, 30, 40 or 50 per cent. of what it stood say in 1919 and 1920, with a consequent decline in the premium income of the fire companies. That is the common experience of 1921, and with the gradual recession in commodity values, that is what the fire companies must anticipate for some years to come. So far during the present year fire losses—that is the percentage due to the "moral hazard," have kept up very high, quite up to last year's record. As commodity prices reach a more stable level, and commercial failures wipe out risks, or stocks are liquidated and losses absorbed, the temptation to call upon the insurance companies will gradually lessen, and a more normal ratio of losses to premium income will ensue. But the year 1922 can hardly be a favorable one in fire insurance.

To combat suspected incendiarism in the courts the fire companies have had under discussion the appointment of some skilled legal prosecutor, who might represent certain districts and appear for a group of companies at fire inquests, with the idea that convictions for arson might be more frequent. The increased vigor in prosecution of cases where there existed a suspicion that the fire was not due to natural causes, would have been beneficial, it was argued, as a warning to those who might otherwise be inclined to choose this method as a means of "liquidating" their losses. No decision, however, has been reached on this point.

Fire losses in Canada in 1921 swung sharply upward, the ratio of losses to premiums reaching over 58 per cent. higher than in any year since 1908. Total premiums were $47,199,765 for all companies, a decline from the previous year as was to be expected on account of the lower values of stocks. Losses rose $22,961,085 in 1920 to $27,463,837 in 1921.

First British Insurance Company Established in Canada
A.D. 1804

Phoenix Assurance Co., Limited

OF LONDON, ENGLAND (Founded 1782)

FIRE LIFE MARINE

TOTAL RESOURCES, over .... $ 125,000,000.00
CLAIMS PAID EXCEED 500,000,000.00
DEPOSITS with Federal Government and Investments in Canada, for security of Canadian policyholders only, exceed 3,000,000.00

AGENTS WANTED IN ALL BRANCHES. Apply to

J. B. PATERSON, Manager
C. W. C. TYRE, Secretary

100 Francois Xavier Street - Montreal

London & Scottish Assurance Corporation Limited of London, Eng.

Established in Canada 1863
ALL CLASSES OF LIFE ASSURANCE TRANSACTED

Scottish Metropolitan Assurance Company Limited

FOR FIRE, ACCIDENT, SICKNESS, GUARANTEE, AUTOMOBILE
EMPLOYERS' LIABILITY, PUBLIC AND TEAMS LIABILITY, MARINE, ETC.
Compare the $60.00 METRO Accident & Sickness Policy with any at $70.00

HEAD OFFICES FOR CANADA: London & Scottish Building, MONTREAL
Total Funds and Assets Exceed $35,000,000
Manager for Canada ALEXANDER BISSETT
BRANCHES AND AGENCIES THROUGHOUT CANADA
Applications for Agencies Invited

ATLAS
ASSURANCE COMPANY
LIMITED of LONDON

Agencies throughout Canada issuing Fire Insurance Policies backed by experience, service and great resources.

Assessment System.

THE CANADIAN ORDER OF CHOSEN FRIENDS

A Purely Canadian Benevolent and Beneficial Society
GOVERNMENT STANDARD RATES.

Organized March 28th, 1887. Incorporated June 1, 1887

HEAD OFFICE, HAMILTON, ONT.

JOHN L. DAVIDSON, Grand Councillor, Toronto, Ont.
W. F. CAMPBELL, Grand Organizer, Hamilton, Ont.
WM. F. MONTAGUE, Grand Recorder-Treasurer, Hamilton, Ont.
DR. J. H. BELL, Grand Medical Examiner Hamilton, Ont.

Statement of the Funds.

Office of the Grand Recorder-Treasurer,
HAMILTON, January 1st, 1922.

LIFE INSURANCE FUND

1921
Jan. 1 Amount on hand........$1,025,147.62
Dec. 31 Assessments collected.... 406,734.79
Interest collected 46,119.21
Total $1,478,003.62

Expenditure
Death claims $407,576.83
Disab. claims 82,391.53
Total 489,967.66
Am't on hand. Dec. 31st..........$988,085.96

STATISTICAL RECAPITULATION
Receipts
Life Insurance Fund Received to date $8,345,843.15
Interest added by Bank, etc...... 739,943.84
Transferred from General Fund.. 67,685.34
Total Receipts $9,156,482.33

Payments
Death Clms..........$7,415,678.59
Disab. Clms........... 706,659.08
Investigation Fund, etc. 46,118.24
Total Payments..... 8,168,446.37

Balance in Life Insurance Fund..$ 988,085.96

NOTE—The above mentioned balance is made up as follows:—
Bank of Hamilton, re Province of Quebec ....$ 5,000.00
Special Deposit in Royal Bank.... 6,567.04
Municipal Debentures and War Loans 906,000.46
Balance in Bank of Hamilton.... 70,468.46
Total ....$ 988,085.96

SICK BENEFIT FUND

1921
Jan. 1 Amount on hand..........$145,761.56
Dec. 31 Assessments collected...... 37,310.95
Interest collected 6,939.37
Cancelled cheques 38.50
Total $190,050.38

Expenditure
Sick benefit claims ...$26,690.00
Funeral Benefits 3,000.00
Grand Med. Exam...... 750.02
Trans. to Gen. Fund.... 3,731.09
Total $34,171.11
Am't on hand Dec. 31st..........$155,879.27

STATISTICAL RECAPITULATION
Receipts
S. B. Fund received to date ....$ 927,873.73
Interest added by Bank, etc........ 76,604.07
Total Receipts $1,004,477.80

Payments
Paid 37892 S. B. Claims $690,102.70
Paid 1233 F. B. Claims 61,650.00
Rebate (Overpaid)...... 211.84
Passing, Clms, etc. 17,117.64
Transferred to Gen. Fund 70,516.35
Total payment 848,598.53

Balance on hand 155,879.27

NOTE—The above mentioned balance is made up as follows:—
Municipal Debentures ....$ 148,824.44
Bal. in Bank of Hamilton........ 7,054.83
Total ....$ 155,879.27

Attractive certificates at monthly rates. Straight life with disability benefits. Twenty-year payment life at net cost, no profits. Child insurance, amount increases to maximum of $500. Sick and Funeral Benefits. Single Benefits at Single Rates. Sick and Funeral Benefits. Double Benefits at Double Rates. Ladies and gentlemen admitted on equal terms
525 Councils with over 27,000 members.

YEAR 1921 DISASTROUS IN ONTARIO IN THE NUMBER OF FIRES RECORDED; LOSSES WERE OVER $15,400,000

"Wholly Indefensible" Says Provincial Fire Marshal in Dealing With Tremendous Waste From Conflagration

"CONTROL BAD HABITS BY COMMON SENSE"

Mercantile Stores and Barns for Some Reason Showed a Strange Susceptibility to Destruction by Fire During the Past Year

By E. P. HEATON.
Ontario Provincial Fire Marshal.

It is now fully recognized that from a fire waste viewpoint the year 1921 was one of the most disastrous in Ontario that the province has ever experienced, but its full significance is not so generally understood.

Apart from the year of the Toronto conflagration, 1916 and 1918 ranked as our two worst years, but that fact was easily explained and understood. In 1916 our fire waste was approximately $16,500,000 but that was the year of serious war munition work, our factories were running day and night, processes were necessarily of an extra hazardous character, and everywhere a bad year was explained and excused because of unusual conditions and fires. The year of 1918 was noticeable because of one very large fire in the T. N. T. works at Trenton and is in the category of unusual war disasters.

But 1921 almost reaches the level of 1916; the war is over; normalcy has been very nearly reached and the significance of the waste of last year will bear scrutiny and explanation. Incidentally it raises the pertinent question of the value of the fire prevention work that has been under wide propaganda during the last few years.

It is opportune to quote the actual figures of the province's fire loss since the bad year of 1916 and they follow:

	No. of Fires	Loss
1916	10,279	$16,520,206
1917	9,681	10,365,539
1918	9,740	15,673,240
1919	9,396	10,514,232
1920	9,296	11,771,718
1921	9,813	15,444,817

1921 On Ascending Scale

The first point that strikes one in examining the preceding statement is the gradual diminution in the number of fires, and the substantial decrease shown between 1916 and 1920 formed a fitting subject for congratulation. It did seem to show that our people were being aroused to the subject of preventable fires, and we had reason to pat ourselves on the back, metaphorically, and like little Jack Horner say, "What a good boy am I." The whole object of fire prevention is to stop fires from starting; once a fire starts who dare guess to what extent it will spread? And when we were able to show that 1920 had almost 1,000 less fires than 1916 it was fair to conclude that the cause of prevention had met with real tangible success. It certainly looked that way!

Then we struck the year 1921 and the ascending scale! It is true that there were only 517 more fires in 1921 than in 1920, but the record is broken! We might argue and not unreasonably, that this increase is only what might be expected in view of the great increase in the number of properties subject to fire (no one will deny this) but this explanation cannot be accepted as satisfactory for the simple sufficient reason that the habits of the people should have maintained the ratio of improvement previously demonstrated, and should have at least offset the increased possibilities. But it did not, and we must seek elsewhere a satisfactory reason for the increase. That is not difficult to do.

Lightning Losses

Two natural elements, both to a certain extent controllable but both neglected, account for the whole increase. Farm barn fires due very largely to spontaneous combustion show 313 more in 1921 than in 1920 and weather conditions have a great deal to do with this. Again lightning fires increased 391 and even the author of "Lightning, its Origin and Control" could not prevent this showing.

The next question to be answered will necessarily be, "How is the increase in the amount of the loss to be accounted for?" and once again the answer is simple and conclusive. The 213 additional barn fires previously mentioned furnished an increased amount of loss of $908,498. Mercantile store fires showed an increase of $1,836,821! These two classes totalled, practically account for the whole increase, but the following table presents in concise form the history of the four classes from which nearly 80 per cent. of the total fire waste comes and it is given as a matter of interest without additional comment:—

	1920 No.	1920 Loss	1921 No.	1921 Loss	Increase No.	Increase Loss
Barns	696	1,284,435	1009	2,192,936	313	908,498
Dwellings	5578	1,890,787	5862	2,206,295	284	312,508
Stores	977	1,770,579	1064	3,607,400	87	1,836,821
Factories	496	3,141,082	464	3,912,201	32	771,119
	7747	8,086,883	8399	11,915,829	652	3,828,946

Other classes of properties to show noticeable increases are:—elevators, lumber, office buildings and stables.

It will be quite apparent that the increase in the year's fire waste is accounted for in the concise table just presented. The increase in the four classes is more than the increase for the year and our search for the "Why and Wherefore" thereof is therefore considerably narrowed; as a matter of fact, two of the four classes i.e. barns and retail stores, and lumber, may be signalled out as accounting for the whole thing.

Inexcusable Waste

Notwithstanding the apparent reasonable explanation of the increase in the province's fire waste, every right thinking man must feel shocked at our inexcusable waste, it is wholly indefensible and a reproach.

It is not necessary in this article to deal with the efforts in recent years to arouse something like a decent public sentiment on the subject; nor is this the opportune time to recite common every day precautions that should be taken to remove preventable causes, these ar [redacted] e every now and t [redacted] n various ways.

The whole thi [redacted] p in a very sho [redacted] if heeded would [redacted] y to cure the evil [redacted] y common sense" [redacted]

Theft and [redacted] A [redacted] y

(Continu [redacted]

than they w [redacted] when money came to them more easily in 1920 or early in 1921.

Public liability rates are not affected this year with the exception of Ford cars where there is a flat rate of $25 on all the models with a property damage rate of $10. A discount of 10 per cent. is allowed for cars used for pleasure only. The rate for 1921 ran from $24 to $26 according to the model for liability and from $9.50 to $10.50 for property damage so that the flat rate runs between the two extremes.

Pay Only Real Value

A new provision is designed to save the insurance companies where there is excessive insurance, either done deliberately or through the reductions that have been so frequent during the past year in the price lists of the manufacturers. Previously when a car was insured for $3,000, that amount had to be paid for complete loss. Now only the actual value of the car is paid. One model, for instance, was reduced in price from $4,200 to $2,800, and only the catalogue price at the time of the loss would be considered by the insurance company as its liability to the owner. The old-time practice, it was thought put a premium on dishonesty.

Insurance companies find themselves unable to figure out how premiums for 1922 will compare with those of the past and previous years. The sharp cuts in the prices of cars will reduce the premiums from theft and fire where the premium is based on the value of the car.

Big Increase in Number of Cars

Two elements, on the other hand, will increase premiums. One of these is the higher rates for fire and theft, and the other is the increase in the number of cars that will be desiring insurance. Even with the slackening in buying the net increase of 1921 and 1922 over the previous years must still be very considerable. The Dominion Bureau of Statistics in a report of the automobile industry in Canada has included a table based on figures submitted to it by the various provinces which indicate an increase of 1921 over 1920 of over 60,000 in Canada. Of this number which stands at 470,000 as compared with less than 200,000 in 1917, Ontario leads with 207,000, with Saskatchewan second at 63,000, Quebec third with about 60,000, and Prince Edward Island, which until the past year or two made it almost impossible to run a car, is now credited with 1,751. The table in full, province by province, appears in connection with this article.

These figures make it fairly evident that the automobile insurance companies will have a much wider field before them this year than last and generally speaking, until the ownership of cars in Canada reaches a point that is known as one of "saturation," business seems likely to increase steadily year by year. It is satisfactory to note that during the past couple of years particularly the question of automobile insurance has been handled much more scientifically by the various companies than before, and much more complete records will be available from now on for basing rates year by year for the various classes of insurance, fairer both to the company and to the insured.

The Official Statistics

The figures for 1921 indicate altogether too high a loss ratio especially in the class of business that includes fire risk where premiums were $2,544,668 and losses $1,971,680. Excluding fire risk the totals were: premiums, $3,651,039 and losses $1,616,302.

Auto Insurance in 1921—Including Fire Risks.

Companies—	Prem.	Losses
Aetna Insurance	$31,936	$24,204
Alliance Assurance	19,414	30,920
Alliance Insurance	345	381
American Alliance	67	32
American Central	4,470	2,575
British America	89,482	96,420
British Crown	75,586	58,725
British Traders	68,852	45,212
Canada Accident	52,103	37,938
Canada Security	6,914	5,872
Canadian Fire	17,927	12,170
Canada Surety	40,516	30,547
Car and General	30,109	19,954
Continental Insurance	16,542	16,204
Columbia	66,504	21,661
Columbia	16,542	16,204
Dominion Fire	12,838	9,723
Dom. of Canada Guar.	94,347	67,508
Employers Liability	91,940	83,972
Equitable Fire	124	None
Fidelity-Phenix	9,139	9,723
Fireman's Fund	17,109	5,606
General Accident, Fire and Life	2,522	3,001
Gen. Accid. of Canada	69,173	60,885
Glens Falls	29,149	8,753
Globe and Rutgers	39,877	38,860
Globe Indemnity	47,727	31,283
Great American	28,614	30,078
Guardian Insurance Co. of Canada	40,619	25,542
Hartford Fire	80,158	25,984
Home Insurance	148,986	120,122
Imperial Guar & Accid.	63,258	56,406
Imperial Underwriters	289	None
Insurance Co. of North America	86,384	62,079
Law, Union & Rock	11,824	21,112
Liverpool-Manitoba	11,978	20,389
London and Lancashire Insurance	27,194	24,209
London and Lancashire Guarantee	48,938	31,022
London Assurance	9,933	2,537
London Guarantee and Accident	53,926	49,280
London Mutual	38,453	32,933
Marine Insurance	39,345	26,206
Merchants Casualty	91,469	26,822
Motor Union	29,712	9,713
Mount Royal	5,199	2,491
National Benefit	9,175	7,830
National Fire	1,009	5,026
National Union	2,048	1,240
Newark	4,235	2,590
New Jersey	11,387	3,006
Niagara	6,593	5,511
North Amer. Accident	18,079	24,756
Northern Assurance	38,115	39,944
Northwestern Mutual	3,892	2,140
Northwestern National	9,122	7,027
Norwich Union	96,473	79,129
Occidental	15,831	6,421
Ocean Accident and Guarantee	97,535	85,027
Pacific Marine	2,339	350
Palatine	11,994	6,389
Phoenix Insurance	19,959	12,075
Providence Washington	23,267	22,504
Queen of America	60,827	59,255
Railway Passengers	29,438	41,952
Royal Exchange	42,274	35,648
St. Paul Fire & Marine	40,010	20,867
Scottish Metropolitan	29,233	33,897
Scottish Union and National	13,339	6,421
Springfield	5,128	432
Sterling	378	2,653
Sun	1,394	315
Traders and General	52,660	33,135
Union Assurance	17,871	8,870
Union Marine	4,964	6,893
Union of Canton	43,442	32,654
United States Fire	5,873	1,557
Western Assurance	70,738	82,112
Totals	2,544,668	1,971,680

Excluding Fire Risks

Companies—	Prem.	Losses
Aetna Insurance	$ 7,988	$ 2,510
Alliance Assurance	37,780	16,775
Alliance Insurance	—2,782	3,165
American Alliance	55	62
American Central	2,794	566
British America	108,362	48,434
British Crown	40,088	28,517
British Traders	38,500	21,751
Canada Accident	78,686	27,663
Canada Security	12,006	4,659
Canadian Fire	14,671	4.402
Canadian Surety	37,087	19,778
Casualty Co. of Can.	35,961	13,466
Car and General	23,370	8,739
Columbia Insurance	10,589	—150
Contineta1 Casualty	14,612	2,545
Continental Insurance	4,361	3,925
Dominion Fire	5,361	4,742
Dominion Gresham	85,747	37,265
Dominion of Canada Guarantee	156,504	63,566
Eagle, Star and British Dominions	26,561	6,787
Employers Liability	275,353	88,269
Fidelity and Casualty	3,360	—2,138
Fidelity-Phenix	4,029	2,333
Gen. Accident of Can.	195,617	75,156
General Animals	—5,006	6,997
Glens Falls	5,571	6,552
Globe and Rutgers	29,245	16,162
Globe Indemnity	208,871	136,159
Great American	23,411	12,544
Guardian Insurance of Canada	107,813	35,432
Hartford Accident	19,811	5,175
Home	26,440	32,214
Imperial Guarantee & Accident	68,078	26,458
Imperial Underwriters	70	None
Insur. Co. of N. Amer.	26,561	28,061
Law Union and Rock	26,428	1,904
London & Lancashire Guarantee	125,554	59,344
London & Lancashire Insurance	18,703	—4,245
London Assurance	7,252	3,100
London Guarantee and Accident	129,091	67,008
London Mutual	55,604	30,645
Lumbermen's Mutual Casualty	6,707	1,753
Marine	7,566	2,468
Maryland Casualty	36,729	11,000
Merchants Casualty	91,469	26,822
Merch. & Employers	40,659	17,494
Motor Union	70,697	48,906
Mount Royal	13,134	1,525
National Benefit	11,330	4.416
National-Ben Franklin	None	197
National Fire	1,827	632
National Union	990	None
Newark	811	None
New Jersey	7,091	6,664
Niagara	1,172	360
N. American Accident	50,295	21,273
Northern Assurance	67,287	22,146
Northwestern Mutual	4,560	85
Northwestern National	3,477	3,363
Norwich Union	120,918	72,893
Occidental	25,278	11,572
Ocean Accident	171,661	65,887
Pacific Marine	2,559	346
Palatine	10,237	3,483
Preferred Accident	15,763	3,975
Provid. Washington	2,875	3,168
Queen	26,522	15,512
Railway Passengers	87,213	26,708
Royal Exchange	72,347	34,789
Royal Indemnity	35,123	11,316
St. Paul	4,234	2,350
Scottish Metropolitan	31,235	11,880
Scottish Union	8,964	6,201
Springfield	526	None
Sun	1,102	43
Traders and General	75,536	30,487
Travelers Indemnity	124,567	48,020
Union Assurance	22,730	5,525
Union Marine	6,441	2,736
Union of Canton	83,209	40.969
U.S. Fidelity & Guar.	59,340	38,585
Western Assurance	78,482	24,873
Yorkshire	78,048	39,583
Totals	3,651,039	1,616,302

Sprinkler Leakage Losses Quite Heavy

Sprinkler leakage losses during the past year totalled $48,727 and the amount of premiums written shows a slight falling off to $94,408. The losses and premiums for 1920 were $68,491 and $98,804 respectively. The amount of losses was more favourable during 1921.

Abstract of Sprinkler Leakage Insurance in Canada in 1921

	Premiums	Losses
American Lloyds	2,974	429
Brit. & Foreign Marine	468	None
Glens Falls	247	None
Great American	470	17
Hartford Fire	28,802	2,079
Home Insurance	15,596	8,805
Insurance Co. of North America	1,209	None
Maryland Casualty	22,425	36,287
Scottish Union	2,641	473
Springfield Fire	1,006	637
Totals	75,838	48,727

Beaver Fire Insurance Company
A Canadian Company
President: W. J. Christie
Vice-Presidents: G. W. Allan, K.C., M.P. and A. Gouzee
Directors:
W. H. Cross John Galt, F. T. Griffin, D. H. Laird, K.C., F. Morton Morse, C. M. Ede.
Managing Director: A. DE JARDIN
Head Office:
Winnipeg, Manitoba

The
NATIONAL LIFE
Assurance Company of Canada

There are many things which a National Life insurance policy will do—it will keep the home intact—it will lay the foundation of independence—it cultivates a saving habit—it lightens the load of care—it supports credit in business transactions—it creates an estate which is worth 100 cents on the dollar in case of the death of the assured.

National Life Policies

are backed by nearly $6,000,000.00 of Assets, over 80% of which are Government and Municipal Bonds. Sixteen thousand satisfied policyholders is convincing evidence of the confidence of the insuring public in the National Life.

Write for your copy of the new Booklet, "As Others See Us."

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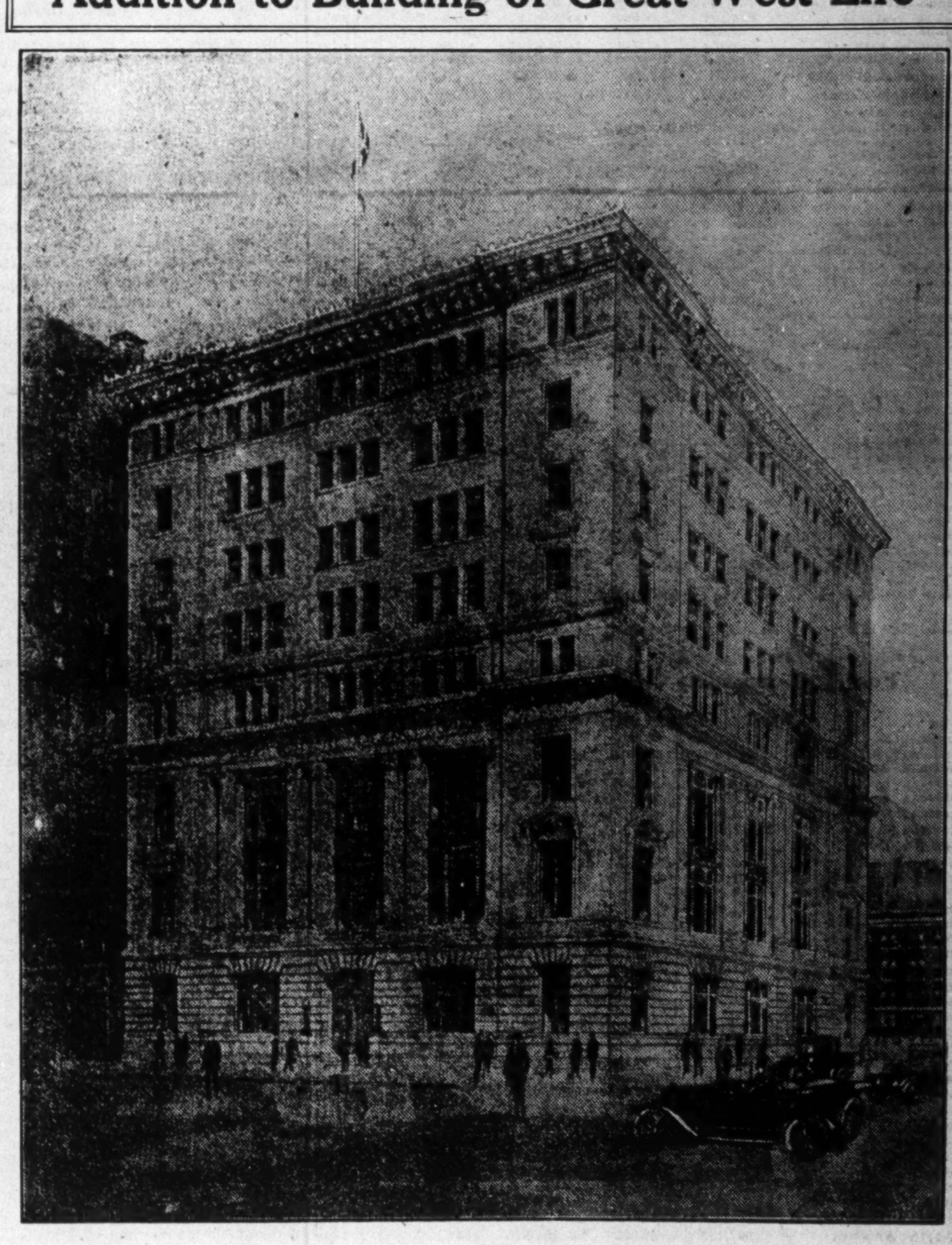
"Permanent as the Pyramids"

Addition to Building of Great-West Life



The above illustration shows how the building of the Great-West Life Assurance Company on Lombard Street, Winnipeg, will appear when completed.

The rapid growth of the Company has necessitated the addition of four stories to the present four-story structure; construction to be begun immediately.

The Great-West Life is one of the strongest companies in Canada, having commenced business in 1892.

Its remarkable growth is indicated in the following figures:

Business in force

1892	$ 862,200	1912	83,978,739
1897	6,912,982	1917	152,643,165
1902	15,289,547	1921	286,718,765
1907	35,258,887		(excluding Group Insurance)

Assets

1892	$ 124,825	1912	12,251,981
1897	410,122	1917	24,385,666
1902	1,536,836	1921	42,910,714
1907	4,525,557		

Agents desiring success should go where success is. For Agency Contracts write

The Great-West Life Assurance Company
HEAD OFFICE - WINNIPEG.

ABSTRACT OF LIFE INSURANCE IN CANADA IN YEAR 1921

Canadian Companies

Company	Total Net Assurance Premium Income $	Net New Assurance Issued $	Assurance in Force $	Death Claims $	Total Claims $
Canada—					
Ordinary (a)	6,770,395	33,850,345	197,632,349	2,004,801	2,600,107
(b)	4,090,981	18,685,128	98,402,445	633,251	884,194
(c)	10,861,376	52,535,473	296,034,794	2,638,052	3,484,301
Group (a)	68,201	3,725,900	6,127,250	19,700	18,700
(b)	3,616	476,250	365,250	......	......
(c)	71,817	4,202,150	6,492,500	19,700	18,700
Capital	224,227	796,640	6,801,308	15,820	18,153
Commercial	57,260	1,027,052	2,648,785	......	......
Confederation (a)	4,030,819	19,912,354	115,338,181	844,369	1,110,187
(b)	1,272,703	3,325,465	26,101,188	132,795	183,499
(c)	5,303,522	23,147,819	141,439,369	977,164	1,293,686
Continental	617,488	2,405,245	17,974,238	66,458	117,159
Crown (a)	961,222	288,943	27,824,562	116,091	137,226
(b)	6,092	147,904	255,534	......	......
(c)	967,327	5,436,847	28,080,096	116,091	137,226
Dominion	1,675,369	9,610,811	49,713,585	192,510	340,627
Eaton—					
Ordinary	24,438	889,690	911,190	......	......
Group	139,353	......	15,449,500	52,000	52,000
Excelsior—					
Ordinary	1,391,772	8,939,933	44,095,895	235,076	314,856
Industrial	987	......	26,611	1,113	1,539
Great-West—					
Ordinary (a)	8,659,963	46,921,797	274,395,002	1,196,495	1,355,155
(b)	251,493	3,019,525	9,737,422	44,032	43,390
(c)	8,911,456	49,941,322	284,132,424	1,240,527	1,398,545
Group (a)	14,616	1,727,308	2,287,024	7,100	7,100
Imperial (a)	3,912,768	18,963,860	110,002,957	527,995	739,446
(b)	513,595	1,655,360	10,702,187	66,688	161,146
(c)	4,426,363	20,619,220	120,705,144	594,683	900,592
London—					
Ordinary (a)	2,426,434	14,766,358	71,460,731	228,479	298,515
(b)	4,027	11,000	115,500	......	......
(c)	2,430,461	14,777,358	71,567,231	228,479	298,515
Industrial (a)	1,604,691	13,488,070	39,028,133	241,491	243,043
Group (a)	4,719	371,000	509,300	1,500	1,500
Manufacturers—					
Ordinary (a)	4,790,605	28,020,905	136,600,732	687,971	1,020,282
(b)	2,771,410	12,890,116	58,490,923	452,842	799,985
(c)	7,562,015	40,911,021	195,091,655	1,140,813	1,820,267
Group (a)	797	......	51,900	......	......
Monarch	767,391	5,214,459	27,613,409	78,510	69,130
Mutual of Canada (a)	8,265,511	33,210,270	220,162,312	1,162,692	1,831,486
(b)	53,647	177,000	1,482,650	2,000	10,000
(c)	8,319,158	33,387,270	221,644,962	1,164,692	1,841,486
National of Canada (a)	995,476	5,763,387	32,045,413	134,294	256,293
(b)	14,174	39,693	308,143	2,500	1,500
(c)	1,009,650	5,803,080	32,353,556	136,794	257,793
North American (a)	3,201,909	16,757,080	95,674,928	460,023	825,077
(b)	295,218	815,554	8,457,011	72,950	127,979
(c)	3,497,127	17,572,634	104,131,939	532,973	953,056
Northern	797,089	5,111,862	25,356,986	121,473	203,359
Saskatchewan	145,980	931,831	4,564,192	13,500	13,885
Sauvegarde—					
Ordinary	378,532	2,371,009	10,904,341	43,716	52,300
Group	2,087	101,200	101,200	......	......
Security	122,212	1,337,696	5,118,527	19,215	16,126
Sovereign	501,236	2,503,010	14,574,983	46,300	73,683
Sun—					
Ordinary (a)	9,524,449	42,194,055	277,683,371	1,387,090	2,223,753
(b)	12,724,531	44,832,498	246,175,571	2,226,820	3,374,629
(c)	22,248,980	87,026,553	523,858,222	3,613,910	5,598,382
Thrift (a)	16,123	......	424,813	8,196	50,628
(b)	15,066	......	435,103	6,589	29,670
(c)	31,189	......	859,916	14,785	80,298
Group (a)	119,662	2,179,065	10,161,002	34,231	46,019
(b)	27,038	337,390	1,838,270	7,611	5,197
(c)	146,700	2,556,455	11,999,272	41,842	51,216
Travellers of Canada	423,068	3,369,744	12,192,622	23,750	32,033
Western	130,116	887,050	4,570,020	18,675	24,618
Totals for 1921 (a)	62,766,928	332,637,929	1,860,027,352	9,985,634	14,093,985
(b)	22,043,591	86,362,883	462,867,197	3,648,078	5,621,189
(c)	84,810,519	419,000,812	2,322,894,549	13,633,712	19,715,174
Totals for 1920 (a)	57,205,082	387,519,766	1,664,348,605	10,385,022	14,491,847
(b)	21,520,319	100,624,400	418,688,979	3,933,701	5,740,592
(c)	78,725,401	488,144,166	2,083,037,584	14,318,723	20,232,439
Increase, i, decrease, d (a).i	5,561,846d	54,881,837	195,678,747d	399,388d	397,862i
(b).i	523,272d	14,261,517	44,178,218i	285,623i	119,403i
(c).i	6,085,118d	69,143,354	239,856,965d	685,011d	517,265i

(a) In Canada. (b) Out of Canada. (c) Total business.

British Companies Canadian Business Only

BRITISH COMPANIES	Net $	Net $	$	$	$
Commercial Union	16,993	1,487	543,744	31,005	8,574
*Edinburgh	183	......	17,606	5,281	5,281
Gresham	219,993	1,091,000	7,300,818	46,439	27,439
†*Life Assn. of Scotland	2,914	......	206,853	59,050	55,451
*Liverpool and London and Globe	2,159	......	108,515	2,438	6,689
London and Scottish	625,442	1,409,937	17,252,822	147,468	350,301
Mutual and Citizens'.					
Ordinary	106,064	1,263,000	3,174,968	5,930	4,329
Industrial	182,356	4,948,353	5,034,321	20,089	13,546
North British & Mercantile	117,085	448,500	1,869,974	24,045	23,786
*Norwich Union	2,478	......	86,782	1,230	1,643
Phoenix of London	228,305	479,533	7,644,790	125,516	109,402
Royal	564,484	3,064,402	17,547,095	106,781	91,903
*Scottish Amicable	614	......	41,377	......	......
*Scottish Provident	120	......	17,963	5,548	5,548
†Standard	844,063	2,954,525	23,968,328	369,190	797,661
*Star	4,165	......	124,982	2,587	16,551
Totals for 1921	2,917,418	15,660,737	84,940,938	952,597	1,518,104
Totals for 1920	2,776,099	14,976,038	76,883,090	1,110,475	1,918,850
Increase, i; decrease, d i	141,319	684,699	8,057,848i	157,878i	400,746d

*These companies have ceased transacting new business in Canada.
†Date of returns—Life Association of Scotland, April 5, 1921.
Mutual and Citizens', Nov. 30, 1921.
Standard, Nov. 15, 1921.

Foreign Companies Canadian Business Only

	$	$	$	$	$
Ætna—Ordinary	1,138,241	6,304,715	41,068,450	443,926	632,649
Group	126,660	346,800	13,290,750	70,450	70,650
*Connecticut Mutual	20,438	......	852,151	26,767	31,764
Equitable—Ordinary	1,249,781	140,309	35,426,815	433,107	683,660
Group	44,887	382,200	2,890,850	17,000	12,000
Guardian	9,203	......	191,401	2,108	1,176
Metropolitan—Ordinary	7,478,248	44,612,936	242,416,494	953,853	1,348,664
Industrial	8,146,762	34,808,099	187,149,904	1,119,655	1,615,862
Group	197,202	815,450	15,880,392	112,700	112,244
Mutual of New York	1,973,609	6,926,054	53,986,012	461,739	605,506
*National of United States	153	......	21,178	1,000	1,000
New York	4,380,911	16,233,884	123,059,327	1,042,902	1,478,348
*Northwestern Mutual	1,001	......	62,602	......	6,000
*Phœnix Mutual	19,626	......	100,472	46,002	46,002
*Provident Savings	25,247	......	867,189	20,500	43,000
Prudential—Ordinary	2,389,034	14,373,671	84,321,901	386,358	421,333
Industrial	4,209,894	27,805,592	113,332,391	572,599	514,186
Group	1,750	......	235,000	1,000	1,000
State	38,278	......	1,503,833	500	1,000
Travelers of Hartford—					
Ordinary	1,294,850	12,315,796	54,052,242	298,818	464,858
Group	111,822	586,239	9,360,151	58,324	73,764
Union Mutual	301,968	706,700	9,107,697	73,895	144,027
United States	22,547	30,500	698,756	30,316	82,029
Totals for 1921	33,182,112	166,388,945	989,875,958	6,173,519	8,390,722
Totals for 1920	30,236,866	227,615,090	915,793,798	6,530,352	9,307,381
Increase, i; decrease, d i	2,945,246i	61,226,151	74,082,160d	356,833d	916,659i
Totals in Canada only— 1921	98,866,458	514,687,611	2,934,844,248	17,111,750	24,002,811
All Companies—1920	90,218,047	630,110,900	2,657,025,493	18,025,849	25,718,078
Increase, i; decrease, d i	8,648,411d	115,423,289	277,818,755i	914,099d	1,715,267i
Total group business in Canada only.—All Companies (included above) 1921	831,756	10,235,162	76,344,319	374,005	394,977
1920	652,801	66,704,855	76,925,486	286,168	274,595
Increase, i; decrease, d i	178,955	56,469,693	581,167	87,837	120,382

*These companies have ceased transacting new business in Canada.

LIFE COMPANIES ARE ANTICIPATING BETTER BUSINESS

Mortality Rate for First Quarter of 1922 Most Favourable

1921 DIFFICULT YEAR

Less Business Written Last Year—Very Heavy Terminations—Policy Holders' Loans

Economic conditions throughout the past year made the writing of new business more difficult, with the result that nearly all life insurance companies have fallen behind the record year of 1920, in the amount of new business written. The decrease is approximately 18 per cent. of the previous year's totals.

Following the war and during the period of 1919-1920 there was a season of inflated prosperity. It came as an aftermath of the war. Industries were branching out in all directions, prices were high in keeping with the high wages; money was plentiful. It was in this period that all companies, were able to pile up record amounts of new business. People realized that this condition of affairs might not last and invested their money in insurance when it was cheap.

However towards the end of 1920, business conditions underwent a change, a decided change, merchants found themselves stocked up with high-priced goods on a falling market and a period of price cutting set in. Wages dropped and unemployment increased. Even our basic industries had very difficult times and money became scarce. Many classes in the community, in all parts of the Dominion, particularly in the Prairie Provinces, found themselves with greatly restricted incomes. Naturally the amounts of new business fell off sharply and only a comparatively small amount was written up until the end of June, 1921, when business conditions were able "to see the corner" and since then there has been slow but unmistakable improvement in the situation. For the first quarter of 1922 conditions already indicate that more business will be written this year than a year ago, but possibly not so much as in 1920.

Increased Surpluses

As we have seen, business fell off, but with the decreased underwriting came lessened expenses; the companies were not pushing business, and due to this, together with increased interest yields, most of the companies were able to make material additions to their surpluses. A feature of all the annual reports of the past few years was the investments made in high grade government and municipal bonds. These bonds could be purchased at prices so satisfactory that a like condition may never again present itself. Not only do the companies receive immediate benefit but are assured of a steady income, for a long period of years, no matter what the condition of the market.

Heavy Terminations

Someone has said the terminations experienced by the insurance companies are the truest indication of the times through which we are passing. The outstanding feature of the reports, of the companies of last year was the very heavy terminations experienced by them. They varied from 15 to 79 per cent. of new business written. Times were hard and the burden of paying premiums was considered too great and they let them go. All companies report cases of the gravest distress arising out of the carelessness of policyholders in delaying and neglecting to pay the premiums when due. Hand in hand with the heavy terminations was the increase in policyholders' loans. It is a well known fact that a loan on a policy is often the first step towards lapsation. All companies discourage the granting of loans unless it is to cases of real need.

Favorable Mortality

The general mortality rate experienced was very favorable and considered from the monetary standpoint, if nothing else, was a very welcome change from the heavy losses experienced during the years of war and epidemic. One large company in speaking to THE FINANCIAL POST said that the mortality rate for the past three months had been exceedingly light. The rate last year was very favorable but for the present quarter it had only been half of last year's rate. The company doubted the possibility of it continuing throughout the year.

Popular Forms of Insurance

In the opinion of the majority of companies the straight life and the twenty-pay life is still the most popular form of insurance. Canadians apparently want more protection, in comparison to the heavy buying of endowment insurance in England, where it is looked upon as a form of savings. The total gain in all kinds of insurance in Canada last year was about 35 per cent. less than the previous year.

Another type of insurance which is gaining in popularity as reported by several companies is that of term insurance. While it has many criticisms directed against it nevertheless it fills an important part in a man's business. It is now usually taken out with the idea of converting it into one of the more ordinary forms of insurance. However the following illustration shows how one well known professional man used it to advantage. This man went to a company and laid his project before them. He said, "I have bought a $100,000 piece of property and have paid a considerable amount down in cash. If I should die during the next five years, my wife will be left with a large amount of property on her hands which she will have difficulty in selling. I think that at my present salary I will be able to clear off the balance on that property within the next five years and the taking out of the $100,000 five year term insurance is additional protection to my wife. The expenses of this insurance I will add to the cost of the property."

Life insurance in force in Canada totals almost $3,000,000,000. The official figures indicate insurance in force at Dec. 31, 1921 in Canada of $2,934,844,248, an increase of $277,818,755 over 1920's figure of $12,657,025,493. The increase in 1920 over 1919 was $469,199,902.

New business written in 1921 was $514,687,611 a decrease of $115,423,289 from the 1920 figure of $630,110,900. The percentage that the increase in insurance in 1920 bore to new insurance written was 74.5 per cent. In 1921 the figure was reduced to 54 per cent., indicating tremendous lapsations, despite a low mortality rate.

Group insurance fell away from $66,704,855 of new business in 1920 to only $10,235,162 in 1921.

PER CAPITA AMOUNTS LIFE INSURANCE IN FORCE IN CANADA AT TEN YEAR PERIODS SINCE 1871

	Insurance	Population	Ins. per Capita
1871	$ 85,009,264	3,485,761	$ 24.39
1881	103,290,932	4,324,810	23.88
1891	261,475,229	4,833,239	54.00
1901	463,769,034	5,371,315	86.34
1911	950,220,771	7,206,643	130.74
1921	2,934,844,248	8,772,631	334.45

British Empire Assurance is Asking Incorporation

Incorporation is sought by Dominion Act of Parliament of the British Empire Assurance Company with an authorized capitalization of $3,000,000. The business of the company will be fire insurance but with the charter will also provide for most of the casualty lines.

The provisional directors, several of whom are likely to be active directors later are: Brig. Gen. Victor Odlum, of Vancouver, J. R. Shaw, manager of the Canada Furniture Roy, K. C. of Quebec, Frank Pratten, M. B. London, R. B. Young, Peter White, K. C., and C. R. Clapp, all of Toronto. The head office will be in Toronto.

MOOSE JAW SASK.

INSURANCE Exclusively

Operating from FORT WILLIAM TO VANCOUVER

EDWARD G. LONEY
Box 612

THE MINIOTA FARMERS MUTUAL FIRE INSURANCE CO.

Head Office, Beulah, Man.

Established 1886

ANNUAL REPORT FOR 1921

Assets

Cash in Bank December 31st, 1921	$[illegible]211.59
Invested in War Bonds	2[illegible]00.00
Balance due on Assessments	41,[illegible]09
Balance due on Cash Premiums	93[illegible]
Invested in First Mortgages	27,876.[illegible]
Accrued interest thereon	2,409.60
Car for Inspector	400.00
Head Office Building and Equipment	10,828.83
Premium Note residue	687,921.92
	$797,947.22

Liabilities

Re-insurance Reserve, Government Standard	$ 15,979.40
Losses under adjustment	18,550.00
Residue Premium Notes for Re-insurance	68,468.73
Surplus for Members	694,949.09
	$797,947.22

Summary for 1921

Business in Force December 31st, 1921	$46,165,589.00
Amount written in 1921	16,426,418.00
Increase in 1921	6,043,049.00
Losses paid in 1921	102,649.38
Total Assets	797,947.22

Agents wanted in unrepresented districts

JAMES A. FRAZER, President.
H. E. HEMMONS, Secretary-Manager.

Summary Financial Statement OF THE

Northwestern Mutual Fire Association

SEATTLE, WASHINGTON

Canadian Head Office, IMPERIAL BLDG., HAMILTON, ONT.

December 31, 1921

ASSETS		
First Mortgage Loans on Real Estate		$ 37,550.00
Bonds and Stocks (Government and Municipal, market value)		1,176,116.81
Real Estate owned		2,257.83
Real Estate sold under contract		4,840.00
Cash in Office and Banks		242,912.90
Premiums in course of collection, written subsequent to Oct. 1, 1921		468,630.83
Due from Reinsurance Companies		7,496.95
Interest due and accrued		20,086.72
TOTAL ADMITTED ASSETS		$1,959,892.04
LIABILITIES		
Losses in process of adjustment		$ 89,357.60
Credit Balances		19,863.12
Accounts payable, current bills, etc.		3,081.15
Reserve for Federal and State Premium Taxes		35,917.04
Reserve for dividends on expired policies		40,181.47
All other liabilities, items in suspense		25,253.59
TOTAL LIABILITIES, except unearned premiums and surplus.		$ 213,653.97
Unearned premium reserve	$1,199,675.32	
Surplus assets over all liabilities	546,562.75	
Assets held for protection of policyholders		1,746,238.07
TOTAL TO BALANCE with admitted assets		$1,959,892.04

GENERAL RESULTS FOR 1921

Admitted Cash Assets	$1,959,892.04
Admitted Cash Surplus	546,562.75
Reinsurance Reserve	1,199,675.32
Other Reserves	213,653.97
Gross Premium Income	3,882,301.69
Net Premiums after Deducting Reinsurance	2,348,825.34
Cash Dividends Paid Policyholders	855,247.27
Net Losses Paid Policyholders	770,046.61

COMPARISON WITH 1920

Increase in Net Assets	$ 196,457.71
Increase in Net Surplus	39,906.68
Increase in Reserves	162,982.42
Increase in Net Premiums	199,507.86
Increase in Earnings to Policyholders	228,884.11

SINCE ORGANIZATION

Losses Paid to Policyholders	$5,096,579.45
Dividends and Savings to Policyholders	5,098,677.85

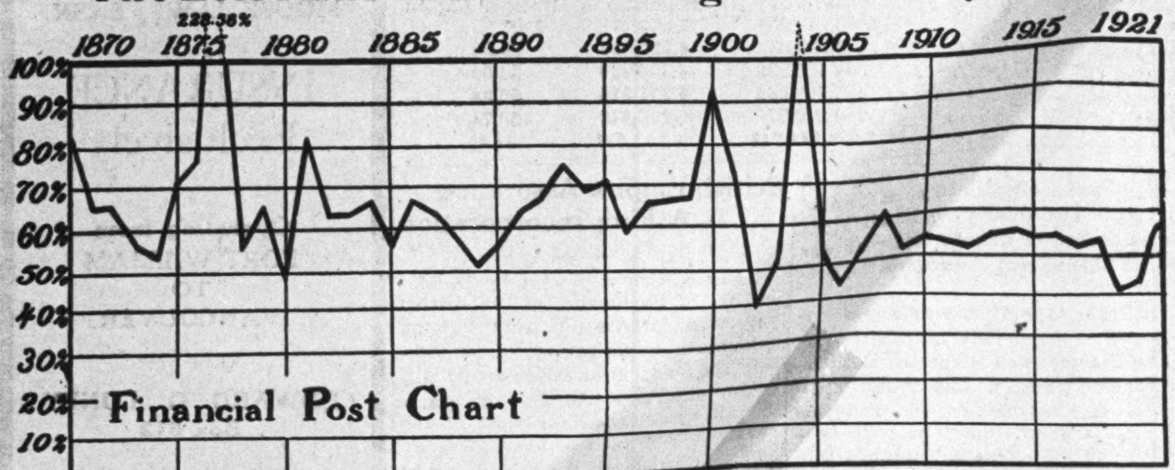
BRANCH OFFICES:

Vancouver, B.C.—501 Vancouver Block.
Edmonton, Alta.—906 McLeod Bldg.
Saskatoon, Sask.—8th Floor, Canada Bldg.
Winnipeg, Man.—4th Floor, Can. Bldg., Donald St.
Toronto, Ont.—411 Hobberlin Bldg.
Ottawa, Ont.—203 Union Bank Bldg.
Montreal, Que.—50 Beardmore Bldg., St. Peter St.
St. John, N.B.—Standard Bank Bldg.
Halifax, N.S.—166 Stallis St.
Charlottetown, P.E.I.—

WRITE NEAREST OFFICE FOR FURTHER INFORMATION

NORMAN S. JONES, Manager for Canada.
R. J. MAHONY, Associate Manager.

Fire Loss Ratio in Canada During the Past Fifty Years



That Canada's experience in fire losses has not been eminently satisfactory during the fifty years in which records have been kept is indicated by the above chart. It gives the percentage each year that fire losses have borne to premiums received by fire insurance companies.

During the earlier years when the population was small risks were not so well distributed and one serious conflagration was likely to affect the ratio to a disproportionate extent. Such years were 1877 and 1904. In the former year occurred the great St. John fire when the city was almost entirely swept with a loss of about $15,- 000,000 and insurance of about $5,000,000. The following companies were ruined by this conflagration: Provincial, Stadacona, Mutual of Montreal, Canada Fire and Marine, St. John Mutual and Maritime Mutual. In 1904 occurred the Toronto fire when a property loss of $12,000,000 was suffered in a conflagration that burned out twenty acres of business structures.

During the past few years with an expanding nation, better distributed risks, more substantial buildings, more scientifically adjusted premiums, the fire loss ratio has varied much less than in the early days.

Torrents of Rain No Longer Have Terrors for the Showman Because He Can Insure Against Elements

Companies Underwriting Rain Insurance Find it Unprofitable Although Demand is Increasing

By A. R. KNIGHT,
Of the Hartford Fire Insurance Co.

Although for many years insurance for all kinds of out-door entertainments and events has been available in England and Europe, it is only within the past year or two that this class of insurance has been solicited and written by companies doing business in Canada and the United States. It has been found that the demand for this cover has been quite large and although a number of the companies that have attempted to do this business have not found it very profitable, they hope that the experience they obtained may lead to adjusting their policy forms and rates so as to be able to realize a reasonable profit from their activities in this line.

There have been very many policy forms designed to insure various classes of games and other events but they may be divided into two broad classes, viz.—those requiring a specified amount of rainfall (usually one-tenth or two-tenths of an inch) and those forms where only the abandonment, in whole or in part, of the programme for the day is necessary to establish a claim on the insuring company.

Where a specific measurement of rainfall is required, it is usually necessary to make arrangements with the nearest weather observer of the Meteorological Service of Canada to make a special observation during certain hours mentioned in the policy and certified statement by him is accepted by both the company and the assured as final. If, for instance, one-tenth of an inch or more rainfall, upon a certain day during the period from 8.00 a.m. to 8.00 p. m. is specified, unless the observer's statement shows that this amount of rain fell during those hours, no valid claim could be made on the company. These forms may be used to cover any class of event.

Combination Form Issued

The abandonment forms do not require any specific measurement or amount of rainfall and cannot very well be used except for those events that will probably be abandoned or postponed should the weather be wet, such as baseball games, harness races, garden parties, open air concerts and picnics. They would not be used for football games, running races, fairs and exhibitions or other events that are carried on notwithstanding wet weather.

A combination of these two classifications has recently been introduced whereby if the rainfall causes abandonment of the event the full amount of the insurance is paid, but if it is decided to carry out the programme, in the event of rainfall to the amount specified in the policy during the hours named, the company becomes liable for the deficiency of the income caused by the rain. The policy is usually written in this case for the estimated income and if this is not attained owing to rainfall, the company agrees to pay the difference. Each of the first two methods of covering the risk has its advantages, but the combination of the two probably gives a more complete protection than can be obtained otherwise, particularly in the case of baseball games.

Income Two Ways

Either expenses or income may be covered against a specific amount of rainfall or abandonment.

Under all forms covering for expenses it is very necessary for the promoters of the entertainment to estimate the total cost of advertising, supplying the programme and all other outlay so that they may apply for insurance for an amount not less than this, as the expense form of coverage only agrees to pay the loss in the proportion that the amount of insurance bears to the total expenses. Then, in the event of rain rendering the company liable under the contract, the assured receive the difference between their expenses and any salvage in the way of income or expenses saved. The intention of the expense form is to prevent the assured from losing what has actually been expended in providing the entertainment.

An income form policy is used to insure the income from any event but can naturally only be used where it is possible to estimate the probable receipts with reasonable accuracy. When this can be done, the policy should be written for a reasonable percentage of these probable receipts and in the event of the company being liable on account of rain under the terms of the policy, the assured is paid any deficiency between the reduced income and the sum insured. The purpose of this form is to guarantee that the promoters of the event will receive not less than the amount of their policy.

Protection of Advance Sale

There is also a valued form of policy covering both expenses and income which, in some cases, meets the requirements better than the others; as this contract is so easily understood it is probably looked upon with more favor. This provides that in the case of rainfall equalling or exceeding a specified amount during a certain period, the company becomes liable for the full amount of the policy without any deductions. The amount of the insurance taken under this form may naturally be considered less, as much income is often obtained from sources not affected by the weather, such as advance sale of tickets and subscriptions.

As the amount of rainfall and the number of rainy days in each month depend on the location of the place where the event is held and the time of the year, it is necessary to calculate the rates accordingly. The length of time against which the rainfall is insured and the form of policy used, also have a bearing on the rates charged, all of which leads to some complication in arriving at the necessary premium. To those accustomed to rates for Fire Insurance, rainfall rates appear rather excessive but when the frequency of rainy days is taken into consideration, it will be found that they are no more than the hazard calls for.

Not a Gamble

Although from the individual standpoint rain insurance may seem to be only a question of a wager with the insuring company, this is in reality far from being the case as it removes the element of chance from many entertainments where the uncertainty of the weather without this protection, would entail a very serious hardship to the promoters of events, who, in many cases, are acting without any hope of personal remuneration. When it has been more thoroughly established and is better understood by the insuring public, it will undoubtedly be considered as necessary as any other form of insurance. While insurance against loss by rainfall is intended primarily for promotors of outdoor exhibitions, such as agricultural fairs, baseball games, races and other outdoor events, the success of which depends upon fair weather, there is also a large demand for insurance on indoor entertainments, exhibitions and special sales, which should constitute a market for rain business almost inexhaustible.

GUARANTEE BOND COMPANIES FACE NEW CONDITIONS

Prohibition Caused Rates on One Class of Bonds to Jump 500 Per Cent.

As the report of the federal insurance department shows, last year was a difficult one for the companies writing fidelity bonds. While the losses paid were quite large, on the other hand the salvage was in many cases higher. That the "crime wave" is not yet over is obvious in the number of claims paid. One typical company experienced losses of 52 per cent. and the salvage in respect to claims stood at 19 per cent.

The amount received is in itself an interesting side of this business. When a fidelity company bonds a man in a responsible position, two conditions largely cover the case. The first is the financial responsibility of his relatives and the second is the circle of society he moves in. There was an instance of a young teller who got away with a considerable sum of money, during the past year, came back after a little while and was caught. His relatives were in poor circumstances and were unable to make restitution, and the only salvage the company received was what they realized on the sale of a car he had bought. And then there is the case of a banker who appropriated $104,000 to his own use just before the war. He was only bonded for $25,000, but he was prominent in society. The bonding company took the matter up and as a result this man has been paying back this money steadily to the company.

Another phase of this work is that which deals with guarantee bonds for materials used in manufacturing. This has lately become of especial interest in the case of makers of flavoring extracts and perfumes where alcohol is used. Ordinarily the manufacturer draws the alcohol from bond and pays duty on it, giving his bond that it will not be appropriated for any other use. As a result of prohibition the thefts of this alcohol, after it has been drawn from bond, have been so serious, that where the rates used to be $1 for a $1,000 bond they have jumped to $5 for the same bond.

An outstanding feature of the guarantee insurance report is the heavy increase of losses from $370,681 to $667,189. The premiums written show only a small increase from $1,272,514 to $1,338,409. The total number of claims that were unresisted during the year has grown from $327,737 to $411,039 while the resisted claims have decreased from $106,450 to $87,254.

Guarantee Insurance in 1921

Companies—	Prem.	Losses
Alliance Assurance ..	$16,477	$ 1,290
American Surety. . .	33,385	77,360
Canada Accident . . .	31,071	11,204
Canadian Surety . . .	89,388	27,459
Dominion Gresham ..	10,986	7,309
Dom. of Canada Guarantee & Accident..	52,277	13,447
Employers' Liability .	107,789	69,706
Gen. Accid. of Canada	27,678	11,877
Globe Indemnity . ..	20,019	35,141
Grain Insurance . . .	66,290	25,143
Guarantee Co. of N.A.	127,290	18,475
Guardian Insur. Co..	14,545	1,709
Hartford Accid. Ind.	2,184	51
Imperial Guar. & Acc.	43,930	32,923
Imperial Underwriters	400	None
Inter. Fidelity. . . .	7,155	2,272
London Guar. & Accid	121,030	92,844
London & Lanc. Guarantee & Accident ..	45,236	11,072
Maryland Casualty ..	16,613	—8,808
National Surety . . .	101,131	43,713
Northern Assurance ..	3,735	500
Ocean Accident. . . .	25,731	18,916
Railway Passengers..	13,081	26,104
Royal Indemnity . . .	58,535	75,702
Scottish Metropolitan.	2,942	826
Sun.	891	None
U.S. Fidelity & Guar.	297,910	70,954
Totals	1,338,409	667,189

Guarantee Co. of North America

	Prem.	Losses
In Canada	$127,290	$18,475
In other countries ..	224,788	132,362
Totals	352,078	150,837

THE ORDINARY LIFE PLAN

On this plan for Premiums at ages given in the table on a $5,000 basis, for a policy with Double Indemnity and Double Disability Provisions

Table of Premiums for $5,000

Age		Premium
20	-	$86.25
25	-	98.00
30	-	113.00
35	-	131.50
40	-	156.25
45	-	189.00
50	-	232.50
55	-	293.25

The Ontario Equitable GUARANTEES

Yearly Premium constant at rates quoted

Amount Payable at Death or at age 85..............: $ 5,000.00
Amount Payable in event of Death by Accident........$10,000.00

If Total Disability occurs, no further Premiums will be required and in addition

The Company will pay the Insured while permanently disabled (without reducing the face of the policy)

A MONTHLY INCOME OF $100.00

Sign..
Age Name Street City

tear out, and send to Head Office, or to any of the Company's Agents, for further particulars and a sample policy.

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO

Incorporated A.D. 1851

WESTERN ASSURANCE COMPANY

(Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance)

Assets over $6,500,000.00

Losses paid since Organization in 1851 over $82,000,000.00

HEAD OFFICES: Western Assurance Buildings Corner Scott & Wellington Streets TORONTO

THE INDEPENDENT Order of Foresters

ORGANIZED 1874

THE SOCIETY HAS PAID OUT **OVER $74,000,000** TO MEMBERS AND THEIR BENEFICIARIES

BENEFITS PAID IN 1921

Paid to Beneficiaries..........	$2,042,320.28
Paid in Funeral Benefits......	17,931.21
Paid in Disability Benefits ...	109,070.78
Paid in Old Age Benefits.....	1,079,724.99
Paid in Expectation of Life Benefits	44,559.89
Paid in Sick Benefits	229,632.26
Paid in Grants	159,793.94
Paid in Benevolent Work.....	101,762.82
Total....................	$3,784,796.17

BENEFITS PROVIDED

Provides a Complete System of Insurance Protection.
Provides Sick Benefits.
Provides Disability Benefits.
Provides Old Age Benefits.
Provides Fraternal, Social, and, in many of its branches, Free Medical Attendance and Hospital Benefits.
Provides Treatment for Members who have contracted Incipient Tuberculosis.
Provides for and Educates Full Orphan Children of Deceased Members.

LIFE INSURANCE POLICIES ISSUED From $1,000 to $5,000

WHOLE LIFE—LIFE (20 Payment)— LIFE (20 Payment (With Disability Benefit))

OLD AGE BENEFIT CERTIFICATE ((With 100% Disability and 100% Old Age Benefit))

HEAD OFFICE - TORONTO, CANADA

GEO. E. BAILEY, Secretary. G. R. COTTRELLE, Treasurer. W. H. HUNTER, President.

SEND THIS COUPON with your name and address for full particulars and literature. Dept. E., Temple Building, Toronto.

NAME..............................
ADDRESS..........................
....